

Base Prospectus

DB ETC plc

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

Secured ETC Precious Metal Linked Securities Programme

What is this document?

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

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

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

What type of securities does this document relate to?

This Base Prospectus relates to the issuance of secured, limited recourse securities (“**ETC Securities**”) of the Issuer that will be linked to a specified precious metal, will not pay any interest and upon maturity will pay an amount linked to the performance of such precious metal, subject to deduction of a fee and, in the case of ETC Securities with a foreign exchange hedge component, to any gains or losses in respect of the foreign exchange hedge.

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

Who is the Issuer?

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

What is in this Base Prospectus?

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

The contractual terms of any particular Series of ETC Securities will be made up of the terms and conditions set out at pages 100-191 of this Base Prospectus, as completed by a separate Final Terms document, which is specific to that issuance of ETC Securities (the “**Final Terms**”).

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

All capitalised terms used will be defined in this Base Prospectus or the Final Terms and a glossary of defined terms is set out at pages 261-263 of this Base Prospectus. Where a branch of any entity is referred to in this Base Prospectus, investors should note that such branch is not a subsidiary of such entity and does not comprise a separate legal entity, and accordingly, any recourse may be had to the relevant entity and not just the specified branch. Deutsche Bank AG performs various roles with respect to the ETC Securities. In performing such roles Deutsche Bank AG will act through its London branch. Deutsche Bank AG has chosen to perform its roles through this branch because key activities relevant to its roles are carried out by it from London and because of its operational and administrative policies. However, as described previously, Deutsche Bank AG’s decision to perform its role from its London branch does not affect or limit, in any respect, the rights of any person who contracts with it.

What other documents do I need to read?

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

Documents will be made available at www.etc.db.com.

What information is included in the Final Terms?

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

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

**Arranger and Lead Authorised Participant
DEUTSCHE BANK AG**

The date of this Base Prospectus is 27 May 2014.

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IMPORTANT NOTICES

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

Approval

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

Admission to Listing and Trading

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

Rating

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

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

Responsibility for Base Prospectus and Consent to Use by Authorised Offerors

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

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

The Issuer consents to the use of this Base Prospectus (and accepts responsibility for the information contained in this Base Prospectus) with respect to subsequent resale or final placement by way of public offer of a Series of ETC Securities by any Authorised Participant, Authorised Distributor or other financial intermediary in respect of that Series of ETC Securities in any of Austria, Belgium, France, Finland, Germany, Ireland, Italy, the Netherlands, Portugal, Spain and Sweden which is an investment firm within the meaning of MiFID and which is authorised in accordance with MiFID in any EU member state (each an "**Authorised Offeror**"), provided such Authorised Offeror complies with the Selling Restrictions. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the date of the Base Prospectus unless such consent is withdrawn prior to that date by notice published on the website of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders). Other than the right of the Issuer to withdraw the consent and the aforementioned requirements applicable to Authorised Offerors, no other conditions are attached to the consent described in this paragraph. Any new information with respect to the identity of any new Authorised Participants will be published on the website of the Issuer at www.etc.db.com (or such other

website as may be notified to Securityholders). **An Authorised Offeror using this Base Prospectus is required to publish on its website that it uses this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.** However, neither the Issuer nor Deutsche Bank AG has any responsibility for any of the actions of any Authorised Offeror (save where it is itself an Authorised Offeror), including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

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

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

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

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

The Authorised Participants may appoint distributors (which may include Deutsche Bank AG or any of its Affiliates) in connection with the offering of ETC Securities and may pay commissions or fees to such distributors in an amount not exceeding one-third of the Product Fee in relation to the relevant Series of ETC Securities (any such appointed distributor being an “**Authorised Distributor**”). If any commissions or fees relating to the issue and sale of these ETC Securities have been paid or are payable by an Authorised Participant to a distributor, then such distributor may be obliged to fully disclose to its clients the existence, nature and amount of any such commissions or fees (including, if applicable, by way of discount) as required in accordance with laws and regulations applicable to such distributor, including any legislation, regulation and/or rule implementing MiFID, or as otherwise may apply in any non-European Economic Area jurisdictions. Potential investors in these ETC Securities should ensure that they have been informed about the fee or commission arrangements by the distributor before making any purchase of the ETC Securities.

Other Representations not to be Relied on

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the ETC Securities and, if given

or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger, the Lead Authorised Participant, any Authorised Offeror, the Determination Agent, any other Agent or the Programme Counterparty.

Possible Change in Circumstances of the Issuer

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

Investors to Make Own Assessment

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

No Investment Advice or Assessment of Suitability or Lawfulness of Acquisition

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

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

Distribution and No Offer

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

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

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

United States Selling Restrictions

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

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

No Verification or Review by Arranger or Transaction Party

None of the Arranger or any Transaction Party has separately verified the information contained in this Base Prospectus (save as otherwise provided above) and accordingly none of them makes any

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

Certain Jersey Notices

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

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

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

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

Interpretation

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

Supplementary Prospectus

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

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

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

INFORMATION INCORPORATED BY REFERENCE

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

- (i) the Report and Financial Statements of the Issuer for the period 1 January 2012 to 31 December 2012;
- (ii) the Report and Financial Statements of the Issuer for the period 1 January 2013 to 31 December 2013; and
- (iii) for the purpose of any issues of ETC Securities under this Base Prospectus which are to be consolidated and form a single series with an existing tranche of ETC Securities, the section entitled "Master Terms and Conditions of the ETC Securities" contained in the Base Prospectus dated 28 May 2010 (pages 50 to 170) or, if applicable, the section entitled "Master Terms and Conditions of the ETC Securities" contained in the Base Prospectus dated 11 May 2011 (pages 52 to 172) or, if applicable, the Section entitled "Master Terms and Conditions of the ETC Securities" contained in the Base Prospectus dated 23 April 2012 (pages 55 to 174), or if applicable, the Section entitled "Master Terms and Conditions of the ETC Securities" contained in the Base Prospectus dated 18 June 2013 (pages 97 to 186) (and for the avoidance of doubt the applicable Final Terms will indicate the Master Terms and Conditions of the ETC Securities applicable to such Series of ETC Securities and, unless otherwise indicated in the applicable Final Terms, the Master Terms and Conditions of the ETC Securities issued after the date hereof shall be those set out in this Base Prospectus);

each of which has been previously published and has been filed with the FCA. Such documents shall be incorporated into and shall form part of this Base Prospectus, save that any statement contained herein or in a document incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein or in any subsequently filed document which also is incorporated by reference herein modifies or supersedes such statement. Any such statement modified or superseded shall not, except as so modified or superseded, constitute part of this Base Prospectus. Any documents which are incorporated by reference into the documents listed above shall not constitute part of this Base Prospectus. The non-incorporated parts of the Base Prospectus dated 28 May 2010, the Base Prospectus dated 11 May 2011, the Base Prospectus dated 23 April 2012, the Base Prospectus dated 18 June 2013, the Report and Financial Statements of the Issuer for the period 1 January 2012 to 31 December 2012 and the Report and Financial Statements of the Issuer for the period 1 January 2013 to 31 December 2013 are either not relevant for investors or are covered elsewhere in this Base Prospectus.

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

Base Prospectus dated 28 May 2010

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

Base Prospectus dated 11 May 2011

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

Base Prospectus dated 23 April 2012

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

Base Prospectus dated 18 June 2013

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

Report and Financial Statements of the Issuer for the period 1 January 2012 to 31 December 2012

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/FinancialStatement/FinancialStatement-dbETCplc-FY2012>

Report and Financial Statements of the Issuer for the period 1 January 2013 to 31 December 2013

<http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Issuer/FinancialStatement/DB%20ETC%20plc/FinancialStatement-dbETCplc-FY2013.pdf>

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

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

(a) *Report and Financial Statements of the Issuer (1 January 2012 to 31 December 2012):*

<u>Section:</u>	<u>Page:</u>
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(b) *Report and Financial Statements of the Issuer (1 January 2013 to 31 December 2013):*

<u>Section:</u>	<u>Page:</u>
Directors' and other information	1
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Statement of directors' responsibilities	5
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SUMMARY OF THE PROGRAMME

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

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

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

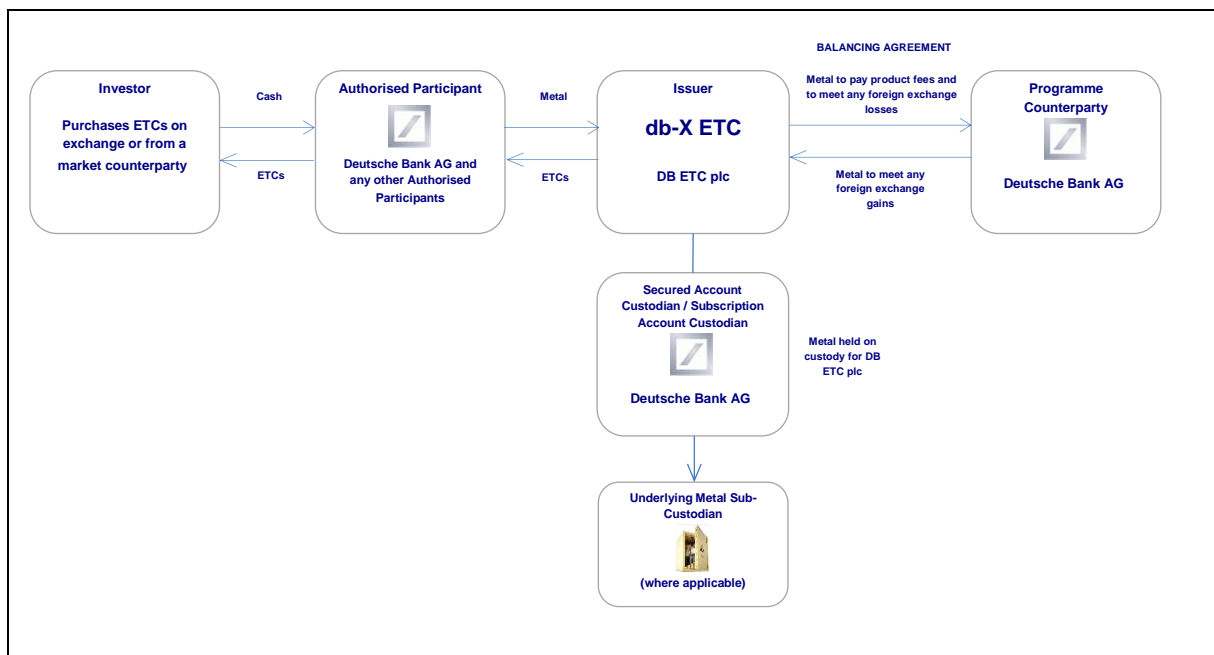
Section A – Introduction and warnings		
A.1	Introduction and warnings	<ul style="list-style-type: none"> • This summary should be read as an introduction to the Base Prospectus. • Any decision to invest in the ETC Securities should be based on a consideration by the investor of the Base Prospectus as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

		<p>Securityholders).</p> <p>An Authorised Participant is an entity that is allowed to buy and sell ETC Securities directly from and to the Issuer. Authorised Participants act as market makers, i.e. they buy and sell ETC Securities from and to investors on an over-the-counter basis or via a stock exchange. Deutsche Bank AG is the Lead Authorised Participant and, in such capacity, will be an Authorised Participant for each Series of ETC Securities.</p> <p>An Authorised Distributor is an entity which is appointed by an Authorised Participant as distributor in connection with the offering of a Series of ETC Securities.</p> <p>An Authorised Offeror using this Base Prospectus is required to publish on its website that it uses this Base Prospectus in accordance with the consent of the Issuer and the conditions attached thereto.</p> <p>In the event of an offer being made by an Authorised Offeror, the Authorised Offeror will provide information to investors on the terms and conditions of the offer at the time the offer is made.</p> <p>Any offer or sale of ETC Securities to an investor by an Authorised Offeror will be made in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations and settlement arrangements. Where such information is not contained in the Base Prospectus or Final Terms, it will be the responsibility of the applicable financial intermediary at the time of such offer to provide the investor with that information and neither the Issuer, nor the Arranger or other Authorised Offeror has any responsibility or liability for such information.</p>
Section B – Issuer		
B.1	The legal and commercial name of the Issuer	DB ETC plc
B.2	The domicile and legal form of the Issuer, the legislation under which the Issuer operates and its country of incorporation	The Issuer was registered and incorporated on 6 August 2009 as a public limited company in Jersey (registration number 103781).
B.16	Extent to which the Issuer is directly or indirectly owned or controlled	The Issuer has an authorised share capital of £10,000. All of the issued ordinary shares of the Issuer are held by Ogier Nominees (Jersey) Limited and Reigo Nominees (Jersey) Limited for and on behalf of Ogier Corporate Trustee (Jersey) Limited as trustee of the db ETC Charitable Trust.
B.20	Special purpose	The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities.

	vehicle	
B.21	Issuer's principal activities including overview of the parties to the programme	<p>The Issuer is a special purpose vehicle whose sole business is the issue of asset backed securities. The Issuer has established a programme for the issue of ETC Securities whose return is linked to the performance of a specified precious metal: either Gold, Silver, Platinum, Palladium or Rhodium. Each Series of ETC Securities will be separate (or 'ring-fenced') from each other Series of ETC Securities.</p> <p>A number of other parties have roles in connection with the Programme:</p> <p><i>Programme Counterparty:</i> Deutsche Bank AG is the Programme Counterparty under the Programme.</p> <p><i>Trustee:</i> Deutsche Trustee Company Limited will act as trustee in respect of each Series of ETC Securities. The Trustee acts as trustee for the holders of ETC Securities and also as security trustee (holding the benefit of the security granted by the Issuer over certain of its assets in respect of a Series on trust for the Securityholders and other transaction parties in respect of that Series).</p> <p><i>Determination Agent:</i> Deutsche International Corporate Services (Ireland) Limited acts as Determination Agent in respect of each Series of ETC Securities. Its duties include the calculation of the value of the ETC Securities, as well as performing certain administrative tasks for the Issuer with respect to the ETC Securities (such as facilitating buy-backs of ETC Securities and further issues).</p> <p><i>Metal Agent:</i> Deutsche Bank AG acts as Metal Agent in respect of each Series of ETC Securities. Its duties include the sale of the underlying Metal in connection with the maturity of the ETC Securities.</p> <p><i>Secured Account Custodian, Subscription Account Custodian and Sub-Custodian:</i> Deutsche Bank AG acts as Secured Account Custodian and Subscription Account Custodian. The Secured Account Custodian is permitted to hold property delivered or received by it for the Issuer in custody accounts with one or more Sub-Custodians provided they satisfy certain eligibility criteria.</p> <p><i>Issuing and Paying Agent and Registrar:</i> Deutsche Bank AG is the Issuing and Paying Agent. The Registrar for Uncertificated Registered Securities is Computershare Investor Services (Jersey) Limited.</p> <p><i>Authorised Participants:</i> The Authorised Participants are the only entities allowed to buy and sell ETC Securities directly from and to the Issuer. Authorised Participants act also as market makers, i.e. they buy and sell ETC Securities from and to investors on an over-the-counter basis or via a stock exchange. However, not all market makers need to be Authorised Participants. Deutsche Bank AG is the Lead Authorised Participant and, in such capacity, will be an Authorised Participant for each Series. Additional Authorised Participants may also be appointed for a Series of ETC Securities. <i>[Issue specific:]</i>[The additional Authorised Participant[s] for the ETC Securities of this Series [is][are] [●].]/[There are no additional Authorised Participants for the ETC Securities of this Series.]</p> <p>The Trustee, the Issuing and Paying Agent, the Secured Account Custodian, the Subscription Account Custodian, the Determination Agent, the Metal Agent, the Programme Counterparty and the Lead Authorised Participant are under common control.</p> <p><i>[Issue specific: insert information on the direct or indirect ownership or control</i></p>

		<i>between other transaction parties]</i>															
B.22	Issuer with no financial statements	Not applicable. The Issuer has commenced operations and financial statements are available.															
B.23	Selected historical key financial information	<p>The selected historical key financial information set out below has been extracted without material adjustment from the audited financial statements of the Issuer for the years ended 31 December 2012 and 31 December 2013.</p> <table border="1"> <thead> <tr> <th></th> <th>FY2012</th> <th>FY2013</th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td>€2,453,410,433</td> <td>€1,594,902,062</td> </tr> <tr> <td>Total Equity</td> <td>€30,002</td> <td>€30,002</td> </tr> <tr> <td>Total Current Liabilities</td> <td>€2,453,380,431</td> <td>€1,594,872,060</td> </tr> <tr> <td>Total Equity and Liabilities</td> <td>€2,453,410,433</td> <td>€1,594,902,062</td> </tr> </tbody> </table>		FY2012	FY2013	Total Assets	€2,453,410,433	€1,594,902,062	Total Equity	€30,002	€30,002	Total Current Liabilities	€2,453,380,431	€1,594,872,060	Total Equity and Liabilities	€2,453,410,433	€1,594,902,062
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Total Equity and Liabilities	€2,453,410,433	€1,594,902,062															
B.24	Description of material adverse change since date of last published audited financial statements	There has been no material adverse change in the financial position or prospects of the Issuer since the date of its last audited financial statements dated 31 December 2013.															
B.25	Description of underlying assets	<p>The Metal for any Series of ETC Securities may comprise of Gold, Silver, Platinum, Palladium or Rhodium.</p> <p><i>[Issue specific:]</i> [The Metal is [Gold][Silver][Platinum][Palladium][Rhodium].</p> <p>The main assets of the Issuer in respect of a Series of ETC Securities are its holdings of Metal held by or on behalf of the Issuer (through the Secured Account Custodian, the Subscription Account Custodian and/or Sub-Custodians) and its interests under the related Metal Agent Agreement and Balancing Agreement.</p> <p>Each ETC Security relates to a specific amount of Metal, known as the Metal Entitlement per ETC Security. On any particular day, the ETC Security can be viewed as giving an exposure to that amount of Metal. In order to back its obligations under the ETC Securities, the Issuer will seek to hold enough Metal to meet its obligations under the ETC Securities. The precise amount it holds at any time may be more or less than the aggregate amount of the Metal Entitlement per ETC Security to reflect the periodic payment of product fees and, in respect of FX Hedged ETC Securities, an adjustment for any foreign exchange gains or losses.</p> <p>The obligations of the Issuer and the Programme Counterparty under the Balancing Agreement relating to a Series of ETC Securities have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ETC Securities.</p>															
B.26	Actively managed pool of assets	Not applicable. The Secured Property of each Series of ETC Securities will not be an actively managed pool of assets.															
B.27	Statement as	The Issuer may create and issue further securities having the same terms and															

	<p>to how the Issuer intends to issue further securities backed by the same assets</p>	<p>conditions as an existing Series of ETC Securities in all respects and so that such further issue will be consolidated and form a single series with such Series of ETC Securities and be secured by the same Secured Property (as increased or supplemented in connection with such issue of such new securities to ensure that the level of Secured Property attributable to each ETC Security remains the same).</p>
<p>B.28</p>	<p>Description of the structure of the transaction</p>	<p>Each ETC Security is issued by the Issuer to an Authorised Participant. The Issuer will, as subscription proceeds for the issue of ETC Securities, receive an amount of the relevant Metal from the Authorised Participants subscribing for the ETC Securities sufficient to cover the initial aggregate Metal Entitlement per ETC Security.</p> <p>The Issuer will hold such Metal with Deutsche Bank AG as custodian. The custodian may, in turn, hold allocated Metal via a sub-custodian.</p> <p>The ETC Securities are subject to a product fee. This product fee is reflected by a daily reduction in the Metal Entitlement per ETC Security. The fee is payable to Deutsche Bank AG as Programme Counterparty under an agreement known as the Balancing Agreement. The Issuer pays the product fee by delivering an amount of Metal to the Programme Counterparty (rather than as a cash payment). Such payment will happen on a periodic (typically monthly) basis.</p> <p>In addition, certain ETC Securities may be subject to a foreign exchange hedge. These are known as FX Hedged ETC Securities. The foreign exchange hedge seeks to reduce the exposure of the ETC Securities to exchange rate fluctuations between the currency in which the ETC Securities are denominated and the currency in which the relevant Metal is denominated. The currency in which the relevant Metal is denominated is known as the “Metal Currency”. It does this by reflecting the effect of a notional forward sale of the Metal Currency and purchase of the currency in which the ETC Securities are denominated. The foreign exchange hedge may result in gains or losses. Such gains or losses will be reflected in the Metal Entitlement per ETC Security and will therefore impact the value per ETC Security.</p> <p>Where there are gains and the Metal Entitlement per ETC Security consequently increases, the Programme Counterparty will deliver additional Metal equivalent to such increase under the Balancing Agreement. Where there are losses and the Metal Entitlement per ETC Security consequently decreases, the Issuer will be required to deliver Metal equivalent to such decrease to the Programme Counterparty under the Balancing Agreement. All such payments will be in the form of Metal and will happen on a periodic (typically monthly) basis. A structure diagram showing the principal aspects of the structure is set out below:</p>



<p>B.29</p>	<p>Description of the flow of funds including information on swap counterparties</p>	<p>On the Series Issue Date, the Issuer will, as subscription proceeds for the issue of ETC Securities, receive from the Authorised Participants an amount of the relevant underlying Metal sufficient to cover the aggregate initial Metal Entitlement per ETC Security.</p> <p>The Balancing Agreement between the Programme Counterparty and the Issuer broadly seeks to account for the product fee and, in respect of FX Hedged ETC Securities, any currency hedging gains or losses by requiring deliveries of unallocated Metal to be made between the Issuer and the Programme Counterparty so that, as a result of such deliveries, the amount of underlying Metal should equal the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of the relevant Series on specified dates. However, as a result of such settlement only taking place on a periodic basis this means that the Issuer might at times hold an amount of underlying Metal that is more or less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series and therefore, Securityholders will have an unsecured credit exposure to the Programme Counterparty to the extent of any shortfall in underlying Metal.</p> <p>The Issuer funds payments under the ETC Securities on any final or early redemption from the proceeds of the sale by the Metal Agent of the underlying Metal held by or on behalf of the Issuer in respect of the ETC Securities. The Metal Agent will pay the aggregate proceeds of such disposals (converted, if necessary, into the currency of the ETC Securities) to the Issuer (or the Issuing and Paying Agent on the Issuer’s behalf). The Issuer’s ability to pay the Final Redemption Amount or the Early Redemption Amount on the Scheduled Maturity Date or Early Redemption Date (as applicable) is dependent on its receipt of the disposal proceeds of the underlying Metal from the Metal Agent. Therefore, Securityholders of a Series are exposed to the creditworthiness of the Metal Agent in respect of the disposal proceeds of the underlying Metal.</p>
<p>B.30</p>	<p>Originators of the securitised assets</p>	<p>Not applicable. The term “originator” when used in respect of securitised assets typically means the person who has separately created such assets (usually financial assets) or caused them to be created, and which assets are then normally sold or transferred to the securities issuer. With the ETC</p>

		Securities, the securitised assets are the physical precious metals. Such physical precious metals were not separately created by an “originator” but are simply acquired by the Issuer from the Authorised Participants when the Issuer issues ETC Securities. As a result, there is no entity that acts as “originator” in respect of the securitised assets backing the ETC Securities.
Section C – Securities		
C.1	Type and class of Securities including security identification number	<p>Each Series of ETC Securities will be in either bearer form or dematerialised uncertificated registered form only. Bearer Securities may not be exchanged for Uncertificated Registered Securities and <i>vice versa</i>.</p> <p>Bearer Securities will be represented on issue by Global Securities in either new global note or classic global note form.</p> <p>Uncertificated Registered Securities will be held in dematerialised uncertificated registered form in accordance with the Uncertificated Regulations and will be participating securities for the purposes thereof. Title to Uncertificated Registered Securities will be recorded on the Register and will pass by registration in the Register.</p> <p><i>[Issue specific:]</i></p> <p>[The ETC Securities are issued in [bearer [new global note]][classic global note]][dematerialised uncertificated registered] form.]</p> <p>[ISIN Code: [●]]</p> <p>[Common Code: [●]]</p>
C.2	Currencies	<p>Subject to compliance with all relevant laws, regulations and directives, ETC Securities may be issued in any currency as agreed between the Issuer and the Arranger.</p> <p><i>[Issue specific:]</i>[The ETC Securities will be denominated in [●] and will be settled in [●].]</p>
C.5	A description of any restrictions on the free transferability of the securities	<p>Interests in ETC Securities traded in any clearing system will be transferred in accordance with the procedures and regulations of that clearing system.</p> <p>The ETC Securities will be freely transferable.</p> <p>Investors should note that the ETC Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “Securities Act”) or under the securities law of any state or political subdivision of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other federal laws of the United States of America, nor has any person registered, or will register, as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the “CEA”) and the rules thereunder (the “CFTC Rules”) of the Commodity Futures Trading Commission (the “CFTC”). Any offer or sale of the ETC Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder (“Regulation S”). The Issuer has imposed a selling restriction on the Authorised Participants and any other Authorised Offerors that the ETC Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. Persons as defined in Regulation S of the Securities Act or persons who do not come within the definition of a Non-United States person under rule 4.7 of the CEA.</p>

C.8	Description of the rights attaching to the securities	<p><i>Payment of Final Redemption Amount</i></p> <p>Unless previously redeemed in whole or purchased and cancelled by the Issuer, the ETC Securities of each Series will become due and payable on their Scheduled Maturity Date at their Final Redemption Amount.</p> <p><i>Interest</i></p> <p>No interest shall accrue and be payable on the ETC Securities.</p> <p><i>Status</i></p> <p>The ETC Securities are secured, limited recourse obligations of the Issuer, and the ETC Securities of a Series rank equally amongst themselves.</p> <p><i>Security</i></p> <p>The obligations of the Issuer under the ETC Securities of a Series will be secured pursuant to an English law governed Security Deed by security interests over the rights of the Issuer under the agreements entered into by it in respect of that Series, including security interests over the Balancing Agreement, the Metal Agent Agreement and any underlying Metal. The assets and property that is the subject of such security interest are known as “Secured Property” for that Series.</p> <p>The security over the Secured Property in respect of a Series of ETC Securities will become enforceable if payment of the redemption amount in respect of such ETC Securities is not made when due on the Scheduled Maturity Date or the relevant Early Redemption Date (if applicable).</p> <p><i>Events of Default and Early Redemption Events</i></p> <p>The ETC Securities of a Series may become due and payable prior to their Scheduled Maturity Date in connection with the occurrence of any of the following events:</p> <ul style="list-style-type: none"> (i) certain legal or regulatory changes occur in relation to the Issuer and the Issuer gives a notice of redemption; (ii) the Balancing Agreement is terminated in connection with a Balancing Agreement Event of Default or Balancing Agreement Termination Event; (iii) the Determination Agent, the Issuing and Paying Agent, the Secured Account Custodian, the Subscription Account Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated and the Issuer gives notice that no successor or replacement has been appointed within a 60 calendar day period; (iv) the Metal Entitlement per ETC Security or the Value per ETC Security is not published for 14 consecutive Scheduled Valuation Days and the Trustee gives the relevant notice as directed by the requisite number of Securityholders; (v) the Value per ETC Security is less than or equal to 20 per cent. of the Issue Price as at the Series Issue Date for two consecutive Scheduled Valuation Days and the Determination Agent gives the relevant notice; (vi) the Issuer will, or there is a substantial likelihood that it will, be required to make a payment in respect of VAT or be required to account for VAT in respect of a delivery of Metal from or to an
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		<p>Authorised Participant (whether or not such VAT is recoverable);</p> <p>(vii) a Securityholder does not, upon request, receive a firm bid price for its ETC Securities from an Authorised Participant for five consecutive Scheduled Valuation Days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive Scheduled Valuation Day period and the Issuer gives the relevant notice;</p> <p>(viii) a Balancing Agreement Event of Default occurs and is continuing with respect to the Programme Counterparty and the Trustee is directed by the requisite amount of Securityholders to give the relevant notice;</p> <p>(ix) the Issuer becomes entitled to serve a VAT Redemption Event Notice or a termination notice under the Balancing Agreement following a Balancing Agreement Tax Event or a Balancing Agreement Illegality and the Trustee gives the relevant notice as directed by the requisite number of Securityholders; or</p> <p>(x) an Event of Default occurs under Condition 14 of the ETC Securities and the Trustee gives the relevant notice.</p> <p><i>Issuer Call Option</i></p> <p>The Issuer may elect to redeem a Series of ETC Securities early on giving not less than 60 calendar days' notice to Securityholders.</p> <p><i>Programme Counterparty Optional Termination</i></p> <p>The Programme Counterparty may, on giving not less than 60 calendar days' prior notice, terminate the Balancing Agreement relating to a Series of ETC Securities. Termination of the Balancing Agreement will result in an early redemption of the relevant ETC Securities.</p> <p><i>Limited Recourse</i></p> <p>The rights of Securityholders are limited in recourse to the relevant Secured Property. Any proceeds of the Secured Property will be applied in a pre-defined order. As a result of such provisions, the Securityholders may not receive in full the Final Redemption Amount or Early Redemption Amount payable in respect of an ETC Security.</p> <p><i>Withholding Tax</i></p> <p>All payments in respect of the ETC Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any taxes. In the event that any withholding or deduction for, or on account of, any taxes applies to payments in respect of the ETC Securities, the holders of ETC Securities will be subject to such tax or deduction and shall not be entitled to receive amounts to compensate for any such tax or deduction. No Event of Default will occur as a result of any such withholding or deduction.</p> <p><i>Governing Law</i></p> <p>ETC Securities in bearer form will be governed by English law. ETC Securities in uncertificated registered form will be governed by Jersey law. The Security Deed relating to a Series of ETC Securities (whether in bearer or uncertificated registered form) will be governed by English law.</p>
C.11	Listing and admission to trading/	Application may be made for the ETC Securities of a Series to be admitted for listing on the official list of one or more of the following stock exchanges and to be admitted to trading on the regulated market or other main market thereof:

	indication of market where securities will be traded	<p>the London Stock Exchange, Euronext Paris, Euronext Amsterdam, the Frankfurt Stock Exchange, the Luxembourg Stock Exchange, the Bolsa de Madrid, the Borsa Italiana, the OMX Nordic Exchange and/or the SIX Swiss Exchange as specified below.</p> <p>[<i>Issue specific:</i>][Application has been made by the Issuer (or on its behalf) for the ETC Securities of this Series to be admitted to [●] and to trading on [●].] [The ETC Securities of this Series are unlisted.]</p>
C.12	Minimum denomination	<p>The ETC Securities do not have a minimum denomination and are being treated by the Issuer for the purposes of Annex VIII of Commission Regulation No. 809/2004 of 29 April 2004, as amended, as having a minimum denomination of less than €100,000.</p>
C.15	Effect of value of underlying instrument(s) on value of derivative securities	<p>The ETC Securities are backed by an underlying Metal and the value of an ETC Security is closely linked to the performance of that Metal.</p> <p>The ETC Securities are subject to a product fee which may be made up of two components. These are:</p> <ul style="list-style-type: none"> • a base fee percentage; and • a fx hedging fee percentage which reflects a fee for the provision of the foreign exchange element. However, this fee is only applicable to FX Hedged ETC Securities. <p>This product fee is reflected by a daily reduction in the Metal Entitlement per ETC Security. If the price of the specified Metal goes up by more than the product fee then the value per ETC Security will also go up. However, if the price of the specified Metal goes up by less than the product fee, or goes down, then the value per ETC Security will also go down.</p> <p>For example, assume that on 15 June 2010, a new Series of ETC Securities is issued for U.S.\$122.50 each, which gives a return linked to Gold.</p> <p>Suppose these ETC Securities start with an initial Metal Entitlement per ETC Security equal to 0.1000000000 fine troy ounces and are not subject to any foreign exchange hedge. We also assume that on 15 June 2010, the “Metal Reference Price” which, in this example, is the price for one fine troy ounce of Gold, is U.S.\$1,225. As the ETC Securities have a Metal Entitlement per ETC Security equal to 0.1000000000 this means that they each have a U.S. dollar value equal to U.S.\$122.50 (i.e. the product of the Metal Entitlement per ETC Security and the Metal Reference Price).</p> <p>In this example, we will assume that on 16 June 2010 the base fee percentage and therefore, the total product fee percentage is 0.29%.</p> <p>On 16 June 2010 (i.e. the next day that is a Scheduled Valuation Day),</p> <ul style="list-style-type: none"> • if we assume that the Metal Reference Price had risen to U.S.\$1,234.50, this would mean that the U.S. dollar value of the Gold backing an ETC Security has also risen to U.S.\$123.45 (i.e. the product of the Metal Entitlement per ETC Security of 0.1000000000 and the Metal Reference Price). However, the ETC Securities are subject to a product fee deduction of 0.29%. To calculate the daily product fee you need to multiply the Metal Entitlement per ETC Security before the adjustment (i.e. 0.1000000000) by 0.29% and then divide by 360 to get a daily amount. This gives a product fee for 16 June 2010 equal to 0.0000008056 (expressed in fine troy ounces of Gold). This product fee is reflected by a reduction of the Metal Entitlement per ETC Security and the deduction of the product fee for

		<p>16 June 2010 would result in a new Metal Entitlement per ETC Security of 0.0999991944. This means that the value of an ETC Security is now equal to the product of the new Metal Entitlement per ETC Security and the Metal Reference Price. This results in a value per ETC Security equal to U.S.\$123.45 after rounding. Notwithstanding that this is the same reported value as prior to the product fee deduction (because the daily product fee amount in this example is relatively small), over time the cumulative effect of this product fee deduction will reduce the value of an ETC Security below that which it would have been had no product fees been deducted.</p> <ul style="list-style-type: none"> • If we assume that the Metal Reference Price had fallen to \$1,220, this would mean that the U.S. dollar value of the Gold backing an ETC Security has also fallen to U.S.\$122.00 (i.e. the product of the Metal Entitlement per ETC Security of 0.1000000000 and the Metal Reference Price). However, the ETC Securities are subject to a product fee deduction of 0.29%. This product fee is reflected by a reduction of the Metal Entitlement per ETC Security and the deduction of the product fee for 16 June 2010 would result in a new Metal Entitlement per ETC Security of 0.0999991944. This means that the value of an ETC Security is now equal to the product of the new Metal Entitlement per ETC Security and the Metal Reference Price. This results in a value per ETC Security equal to U.S.\$122.00 after rounding. Notwithstanding that this is the same reported value as prior to the product fee deduction (because the daily product fee amount in this example is relatively small), over time the cumulative effect of this fee deduction will reduce the value of an ETC Security below that which it would have been had no fees been deducted. <p>In addition, for any ETC Securities that are subject to a foreign exchange hedge, any gains or losses on the foreign exchange hedge will also be taken into account and will affect the value per ETC Security positively (in the case of a foreign exchange hedge gain) or negatively (in the case of a foreign exchange hedge loss). This gain or loss reflects the gain or loss that a person would have suffered if they had attempted to hedge their currency exposure as compared with the position they would have been in had they not done so. The total product fee percentage will also be different for FX Hedged ETC Securities as they will also include a foreign exchange hedging fee.</p> <p>The different position for FX Hedged ETC Securities can be seen in the following example. For this example, we will assume that on 15 June 2010 a new Series of ETC Securities is issued for €99.68 each. These ETC Securities give a return linked to Gold and are subject to a foreign exchange hedge. As such, these ETC Securities reflect a currency hedging component between euro (the currency of the ETC Securities) and U.S. dollars (the currency in which Gold prices are quoted).</p> <p>Suppose these ETC Securities start with an initial Metal Entitlement per ETC Security equal to 0.1000000000 fine troy ounces. We also assume that on 15 June 2010, the Metal Reference Price (which, in this example, is the price for one fine troy ounce of Gold) is U.S.\$1,225 and that the prevailing exchange rate is U.S.\$1 to €0.813731. As the ETC Securities have a Metal Entitlement per ETC Security equal to 0.1000000000 this means that they each have a U.S. dollar value equal to U.S.\$122.50 (i.e. the product of the Metal Entitlement</p>
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		<p>per ETC Security and the Metal Reference Price) and a euro value equal to €99.68.</p> <p>In this example, we will assume that on 16 June 2010 the base fee percentage is 0.29% and, because the relevant ETC Securities are FX Hedged ETC Securities, there is also a foreign exchange hedging fee percentage of 0.30%. Therefore, the total product fee percentage used in this example is 0.59%.</p> <p>On 16 June 2010 (i.e. the next day that is a Scheduled Valuation Day),</p> <ul style="list-style-type: none"> • If we assume that the Metal Reference Price had risen to U.S.\$1,234.50, this would mean that the U.S. dollar value of the Gold backing an ETC Security has also risen to U.S.\$123.45 (i.e. the product of the Metal Entitlement per ETC Security of 0.100000000 and the Metal Reference Price). <p>However, the ETC Securities are FX Hedged ETC Securities and so any foreign exchange hedge gain or loss needs to be taken into account, as does the product fee deduction of 0.59%.</p> <p>The foreign exchange gain or loss is an amount (expressed in fine troy ounces) that reflects the gain or loss that a person would have made by agreeing that tomorrow it will sell an amount of U.S. dollars equal to the U.S. dollar value of the ETC Security in return for a euro amount that is fixed today. Because that euro amount is fixed today, this means that the person has locked in an exchange rate in advance. However, by agreeing to receive such fixed euro amount regardless of what actually happens to exchange rates, this means that the person does not get any improvements in the exchange rate. Indeed, depending on how exchange rates actually move, that person will have made a gain or loss on the currency hedge as compared with the position that person would have been in if it had not entered into the currency hedge.</p> <p>To show this let us assume that on 15 June 2010 a person had agreed to sell U.S.\$122.50 (i.e. the U.S. dollar value of an ETC Security on 15 June 2010) on 16 June 2010 at the prevailing exchange rate for such a forward sale. Assume that such prevailing forward exchange rate would have produced a fixed euro amount of €99.68. If on 16 June 2010 the actual exchange rate would mean that such person could only have been able to sell U.S.\$122.50 in return for €99.45 (an exchange rate of U.S.\$1 to €0.811820) this means that, in this instance, the person is better off from having entered into a foreign exchange hedge. This is because the fixed euro amount that was agreed on 15 June 2010 was better than the actual rate that the person could have got if that person had not fixed the rate in advance.</p> <p>As the ETC Securities in this example are FX Hedged ETC Securities, that gain of €0.23 would be reflected in the Value per ETC Security. The way this is done is by adjusting the Metal Entitlement per ETC Security upwards by an amount of fine troy ounces equal to such gain. To calculate this amount you need to work out how many fine troy ounces of Gold could be purchased for €0.23. This depends on the current exchange rate and the Metal Reference Price. Using the exchange rate given above for 16 June 2010 of U.S.\$1 to €0.811820 and the Metal Reference Price given above for Gold on 16 June 2010 of U.S.\$1,234.50 the €0.23 gain would buy 0.0002335199 fine troy</p>
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		<p>ounces of Gold.</p> <p>This amount is added to the Metal Entitlement per ETC Security from the previous Scheduled Valuation Day. This would give an amount equal to 0.1002335199.</p> <p>However, we still need to deduct the product fee. Because the ETC Securities are FX Hedged ETC Securities they have both a base fee and an foreign exchange hedging fee. We have assumed in this example that these fees amount to 0.59%. To calculate the daily product fee you need to multiply the Metal Entitlement per ETC Security after adjustment for any foreign exchange gain or loss (i.e. 0.1002335199) by 0.59% and then divide by 360 to get a daily amount. This gives a product fee for 16 June 2010 equal to 0.0000016528 (expressed in fine troy ounces of Gold).</p> <p>This is then taken off the Metal Entitlement per ETC Security to give a new Metal Entitlement per ETC Security of 0.1002318772. This can then be used to calculate the Value per ETC Security. This is done by multiplying the Metal Entitlement per ETC Security by the Metal Reference Price to get a U.S. dollar value (which would be U.S.\$123.74) and then translating that into euro at the prevailing exchange rate. This results in a value per ETC Security equal to €100.45 after rounding.</p> <ul style="list-style-type: none"> • If we assume that the Metal Reference Price had fallen to \$1,220, this would mean that the U.S. dollar value of the Gold backing an ETC Security has also fallen to U.S.\$122.00 (i.e. the product of the Metal Entitlement per ETC Security of 0.1000000000 and the Metal Reference Price). <p>However, the ETC Securities are FX Hedged ETC Securities and so any foreign exchange hedge gain or loss needs to be taken into account, as does the product fee deduction of 0.59%. These are calculated in an identical way to that described in the case where the Metal Reference Price had risen to U.S.\$1,234.50 and, in this instance, give identical amounts.</p> <p>Once the foreign exchange gain has been added to the Metal Entitlement per ETC Security and the product fee has been deducted from the Metal Entitlement per ETC Security this gives a new Metal Entitlement per ETC Security of 0.1008449805.</p> <p>This can then be used to calculate the Value per ETC Security. This is done by multiplying the Metal Entitlement per ETC Security by the Metal Reference Price to get a U.S. dollar value (which would be U.S.\$125.55) and then translating that into euro at the prevailing exchange rate. This results in a value per ETC Security equal to €101.29 after rounding.</p> <p>The price of a Metal can go down as well as up and the performance of a Metal in any future period may not mirror its past performance.</p> <p><i>Note that the numbers used in this worked example are for illustrative purposes only. The price of the Metal may go up or down and past performance should not be taken as an indication of future performance. The fee levels for any particular Series of ETC Securities may differ from the fee levels used in the worked example.</i></p>
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C.16	Expiration/ maturity date of derivative securities	<p>The Issuer has the discretion to set the Scheduled Maturity Date of a Series of ETC Securities prior to the issue of that Series of ETC Securities.</p> <p><i>[Issue specific:]</i>[The Scheduled Maturity Date of the ETC Securities is [●].]</p>
C.17	Settlement procedure for derivative securities	<p>ETC Securities will be cleared through (i) CREST, (ii) Euroclear Bank S.A./N.V., (iii) Clearstream Banking AG, Frankfurt, (iv) Clearstream Banking, société anonyme, or (v) certain other Clearing System(s) and will be transferable within such Clearing System(s) by reference to whole numbers of ETC Securities only (for these purposes an ETC Security may be referred to as a unit by the relevant Clearing System).</p> <p>Uncertificated Registered Securities may be cleared only through CREST.</p> <p><i>[Issue specific:]</i>[The ETC Securities are cleared through [CREST][Euroclear Bank S.A./N.V.][Clearstream Banking AG, Frankfurt][Clearstream Banking, société anonyme][other]].</p>
C.18	Description of return on derivative securities	<p>The ETC Securities are linked to the performance of a specified precious Metal.</p> <p><i>Final Redemption Amount</i></p> <p>On the Scheduled Maturity Date, each ETC Security will become due and payable at an amount (the “Final Redemption Amount”) equal to the greater of (i) the Final Metal Redemption Amount (defined below) and (ii) 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the “Minimum Debt Amount”).</p> <p>The “Final Metal Redemption Amount” is determined by multiplying (i) the Metal Entitlement per ETC Security as at the Final Redemption Valuation Date (defined below); and (ii) the weighted average prices at which the Metal Agent is able to sell the underlying Metal (“Average Metal Sale Price”) during the Final Redemption Disposal Period (defined below).</p> <p>The “Final Redemption Disposal Period” is the period from (and including) the date falling four non-disrupted business days after the day which is the day falling 45 calendar days prior to the Scheduled Maturity Date or, if such day is not a business day, the next following business day (“Final Redemption Valuation Date”) to (but excluding) the date falling five Business Days prior to the Scheduled Maturity Date.</p> <p><i>Early Redemption Amount</i></p> <p>If any of the Early Redemption Events occur, each ETC Security will become due and payable at an amount (the “Early Redemption Amount”) equal to the greater of (i) the Early Metal Redemption Amount (defined below) and (ii) the Minimum Debt Amount.</p> <p>The “Early Metal Redemption Amount” is determined by multiplying (i) the Metal Entitlement per ETC Security as at the Early Redemption Valuation Date (defined below); and (ii) the Average Metal Sale Price during the Early Redemption Disposal Period (defined below).</p> <p>The “Early Redemption Disposal Period” is the period from (and including) the date falling four non-disrupted business days after the occurrence of an Early Redemption Event or an Event of Default or, if such day is not a business day, the next following business day to (but excluding) the date falling five business days prior to the Scheduled Early Redemption Date (defined below).</p> <p>The “Scheduled Early Redemption Date” is, the earlier of (a) five business days after the first day on which all underlying Metal held by or on behalf of the</p>

		<p>Issuer in respect of a Series of ETC Securities has been sold by the Metal Agent and (b) the 45th calendar day following the occurrence of an Early Redemption Event or an Event of Default.</p> <p>There can be no assurance that the Final Redemption Amount or Early Redemption Amount, as applicable, will be greater than or equal to the amount invested by any Securityholder.</p> <p>If the Final Metal Redemption Amount or Early Redemption Amount, as applicable, falls below the Minimum Debt Amount, then due to the limited recourse nature of the ETC Securities, Securityholders are unlikely to receive payment of the Final Redemption Amount or Early Redemption Amount, as applicable, in full and may receive zero.</p>
C.19	Description of exercise price or final reference price of the underlying	<p>The Final Redemption Amount or Early Redemption Amount per ETC Security, as applicable, will be determined by reference to the average sale price of the underlying Metal held in respect of the Series of ETC Securities sold during the Final Redemption Disposal Period or Early Redemption Disposal Period, as applicable, by the Metal Agent, net of associated deductions and taxes. The Issuer will, on or prior to the Scheduled Maturity Date or Early Redemption Date, publish the determination of the Final Redemption Amount or Early Redemption Amount, as applicable, (which shall include publication of the price, volume and date of each sale of underlying Metal during the relevant redemption disposal period, including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average Metal Sale Price) on the website maintained on behalf of the Issuer at www.etc.db.com or such other website notified by the Issuer for such Series of ETC Securities from time to time.</p>
C.20	Description of the type of underlying asset and where information on underlying asset can be found	<p>The underlying Metal will be one of Gold, Silver, Platinum, Palladium or Rhodium. Prior to the issue of a Series of ETC Securities, the Issuer will select the underlying Metal with respect to those Securities.</p> <p>Such underlying Metal will be held in allocated form and/or unallocated form by the Secured Account Custodian, Subscription Account Custodian and/or applicable Sub-Custodian(s). The underlying Metal complies with “The Good Delivery Rules for Gold and Silver Bars” published by the LBMA and “The London Good Delivery List” published by the LPPM (as appropriate). Further information relating to Gold and Silver can be found on the website of the LBMA at www.lbma.org.uk and further information relating to Platinum and Palladium can be found on the website of the LPPM at www.lppm.com and further information relating to Rhodium can be found at www.etc.db.com.</p> <p>[<i>Issue specific:</i>][The Metal to which the ETC Securities is linked is [●] and information relating to it can be found at [●].]</p>
Section D — Risks		
D.2	Key information on key risks specific to the Issuer	<ul style="list-style-type: none"> • The Issuer is a special purpose vehicle with no assets other than its paid-up share capital, and the assets on which the ETC Securities are secured. • In respect of a Series of ETC Securities, the Securityholders and other transaction parties will have recourse only to the Secured Property in respect of the relevant Series of ETC Securities and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant Series of ETC Securities, any outstanding claim remains unpaid, then such claim will be extinguished and no debt will be

		owed by the Issuer in respect thereof.
D.6	Key information on key risks specific to the Securities	<ul style="list-style-type: none"> • Prospective investors should be aware that they may lose the value of their entire investment or part of it, as the case may be. • The ETC Securities are precious metal linked securities. The amount payable in respect of a Series of ETC Securities is linked to the performance of the underlying Metal in respect of such Series. • The Value per ETC Security and market price of ETC Securities may go down as well as up and future performance is not linked to past performance. • The value per ETC Security, secondary market price and the redemption amount of ETC Securities will primarily be affected by the performance and level of the relevant Metal, rate movements, market perception, the performance and price of foreign exchange futures contracts in the case of FX Hedged ETC Securities, the creditworthiness of the Metal Agent and the Programme Counterparty, the creditworthiness of the Secured Account Custodian, the Subscription Account Custodian and any applicable Sub-Custodian and liquidity in the ETC Securities. • The Metal Entitlement per ETC Security is subject to the deduction of the product fee and, in the case of FX Hedged ETC Securities, to any losses caused by the foreign exchange hedging component. • Investing in ETC Securities will not make an investor the owner of the relevant Metal. • Prices of precious metals are generally more volatile than prices in other asset classes. • The Issuer and Securityholders are exposed to the credit risk of the Metal Agent, the Programme Counterparty, the Secured Account Custodian, the Subscription Account Custodian and any Sub-Custodian and the Authorised Participants. • The secondary market price (if any) for ETC Securities may be substantially less than the price paid by the investor. • Any disruption to a price source or relevant association may affect the Value per ETC Security of the ETC Securities and in the case of FX Hedged ETC Securities, the Metal Entitlement per ETC Security. • Certain events, such as where there is a disruption to the trading of the relevant Metal or, for FX Hedged ETC Securities, foreign exchange futures contracts or where the Programme Counterparty is not able to adequately protect itself in respect of its risk under the Balancing Agreement, may lead to a delay or use of an adjusted method in the calculation and publication of the Metal Entitlement per ETC Security and the Value per ETC Security and/or result in the early redemption of the ETC Securities. • ETC Securities may have a long term and the only means through which an investor can realise value from an ETC Security prior to its Scheduled Maturity Date is to sell it at its then market price in a secondary market transaction. While each Authorised Participant intends to make a market for the relevant Series of ETC Securities, no Authorised Participant is obliged to make a market for any Series of ETC Securities and an Authorised Participant may discontinue making a market at any time.

		Furthermore, any market in ETC Securities may not be liquid and the secondary market price (if any) for ETC Securities may be substantially less than the price paid by the investor.
Section E – Offer		
E.2b	Reason for the offer and use of proceeds	Not applicable. The reasons for the offer and use of proceeds are not different from making profit and/or hedging.
E.3	Terms and Conditions of the Offer	<p>The ETC Securities are being made available by the Issuer for subscription only to Authorised Participants. Authorised Participants will pay for any such subscriptions by delivering Metal equal to the Metal Entitlement per ETC Security of the ETC Securities being subscribed.</p> <p>The Issue Price per ETC Security on the Series Issue Date will be the issue price specified below and shall be an amount equal to the product of (A) the Initial Metal Entitlement per ETC Security; (B) the Metal Reference Price with respect to the Series Issue Date; and (C) in respect of FX Hedged ETC Securities only, the FX Spot Reference Level with respect to the Series Issue Date. The Issue Price per ETC Security for any subsequent Tranche of ETC Securities issued after the Series Issue Date will be equal to the Value per ETC Security in respect of the relevant Subscription Trade Date relating to such Tranche.</p> <p>[<i>Issue specific:</i>][The Issue Price per ETC Security on the Series Issue Date is [●].]</p>
E.4	Interests material to the issue/offer including conflicting interests.	<p>Deutsche Bank AG or any affiliate of Deutsche Bank AG (“Deutsche Bank entities” and each a “Deutsche Bank entity”) has been, or may be, appointed as Arranger, Issuing and Paying Agent, Secured Account Custodian, Subscription Account Custodian, Metal Agent, Determination Agent, Trustee, Programme Counterparty, Lead Authorised Participant and Authorised Participant in relation to a Series of ETC Securities.</p> <p>Conflicts of interest may exist or arise between such Deutsche Bank entity acting in other capacities and the interests of the Issuer and/or Securityholders.</p> <p>A Deutsche Bank entity and/or its affiliates may engage in trading and market-making activities and may hold long or short positions in any Metal, other instruments or derivative products based on or related to the Metal, Metal for their proprietary accounts or for other accounts under their management. Deutsche Bank entities may also issue securities or enter into financial instruments in relation to any Metal. To the extent that any Deutsche Bank entity, directly or through its affiliates, serves as issuer, agent, manager, sponsor or underwriter of such securities or other instruments, its interests with respect to such products may be adverse to those of the Securityholders. Such activities may have an adverse effect on the Value per ETC Security of the ETC Securities and/or the value of the underlying Metal relating to the ETC Securities.</p> <p>As the Determination Agent is a Deutsche Bank entity, potential conflicts of interest may exist between the Determination Agent and the Securityholders, including with respect to the exercise of the Determination Agent of its duties and obligations under the relevant Determination Agent Agreement and the Conditions and the exercise of discretion (if any) that is inherent in such duties and obligations. Prospective investors should be aware that any determination made by the Determination Agent may have an impact on the Value per ETC</p>

		Security of the ETC Securities. Determinations made by the Determination Agent (in the absence of manifest error) will be binding on the Issuer and all relevant Securityholders.
E.7	Estimated expenses charged to the investor by the Issuer or the Authorised Offeror	There are no estimated expenses charged to the investor by the Issuer. The expenses to be charged by the Lead Authorised Participant (which, for the avoidance of doubt, is Deutsche Bank AG) to the investor are estimated to be in the range of 0.02% - 1.00% of the Value per ETC Security of the relevant Series at the time of sale. Additional expenses, if any, to be charged to the investor by any other Authorised Offeror will be disclosed by such Authorised Offeror at the time of the relevant offer by such Authorised Offeror to such investor.

RISK FACTORS

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

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

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

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

Risks relating to the potential loss of investment

The ETC Securities are not principal protected. Their Final Redemption Amount and Early Redemption Amount depend on the Value per ETC Security, which in turn depends on the value of the Underlying Metal. The main instances when investors may lose some or all of their investment are:

- the relevant Underlying Metal falls in value (or does not perform well enough to offset the deduction of fees or, in the case of FX Hedged ETC Securities, any foreign exchange hedge losses) — the greater the fall in value of the Underlying Metal, the greater the loss of an investor’s investment;
- investors sell their ETC Securities prior to their maturity and the sale price of the ETC Securities in the secondary market is less than the investor’s initial investment;
- the Programme Counterparty defaults in the performance of its obligations under the Balancing Agreement or the Metal Agent defaults in its obligations to pay the sale proceeds of any sale of the Underlying Metal to the Issuer;
- the Issuer is subject to an insolvency process or some other event impairing its ability to meet its obligations under the ETC Securities.

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

Risks relating to the liquidity and trading of the ETC Securities

Market price of the ETC Securities

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

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

- (i) the value and volatility of the Metal referenced by the ETC Securities;
- (ii) the value and volatility of precious metals in general;
- (iii) market perception, interest rates, yields and foreign exchange rates;
- (iv) the creditworthiness of the Metal Agent, the Programme Counterparty, the Secured Account Custodian, the Subscription Account Custodian, any applicable Sub-Custodian and the Authorised Participants; and
- (v) liquidity in the ETC Securities.

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

The secondary market and limited liquidity

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

The price at which an investor may be able to sell ETC Securities at any time prior to their Scheduled Maturity Date may be substantially less than the price paid by the investor. This may occur (amongst other reasons) as a result of there being limited liquidity for the ETC Securities, the Value per ETC Security being less than the Value per ETC Security of the ETC Securities at the time the investor purchased the ETC Securities, the Metal not having performed sufficiently to increase or maintain the Value per ETC Security of the ETC Securities by such amount as is necessary to negate the Product Fee deducted since the time the investor purchased the ETC Securities or, in respect of FX Hedged ETC Securities, any losses suffered by the Issuer in respect of the currency hedging component of such ETC Securities since the time the investor purchased the ETC Securities. The Value per ETC Security and/or market price of the ETC Securities may be volatile and may fall rapidly and investors may not be able to sell their ETC Securities quickly and/or at a price such that the investor is able to prevent or minimise any loss of their investment.

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

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

Prospective investors should note that:

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

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

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

Risks relating to the Issuer

The Issuer is a special purpose vehicle

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

Limited recourse obligations, non-petition and related risks

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

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

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

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

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

Insolvency

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

However, notwithstanding the restrictions described in Condition 7 and the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to

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

In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions the rights of the Trustee to enforce the Security may be limited or delayed by such procedures.

No regulation of the Issuer by any regulatory authority

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

Collective investment scheme

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

Risks Relating to the Contractual Features of the ETC Securities

Redemption of the ETC Securities at maturity

If the Final Metal Redemption Amount falls below the Minimum Debt Amount, then due to the limited recourse nature of the ETC Securities, Securityholders are unlikely to receive payment of the Final Redemption Amount in full and may receive zero.

Change in Fee Levels

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

Issuer call option

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

Programme Counterparty termination option

The Programme Counterparty relating to a Series of ETC Securities may, on giving not less than 60 calendar days' notice to the Issuer, elect to terminate the Balancing Agreement relating to such Series of ETC Securities. Such notice may only be delivered if no Balancing Agreement Event of Default with respect to the Programme Counterparty has occurred and is continuing under the Balancing Agreement and provided that no notice of termination of the relevant Balancing Agreement has already been given. In connection with such election, upon the termination of the Balancing Agreement an Early Redemption Event will occur and the ETC Securities of that Series will become due and payable at their Early Redemption Amount per ETC Security on the relevant Early Redemption Date. The Programme Counterparty shall not and is not required to consider the interests of Securityholders when exercising any such termination right. There can be no assurance that the Early Metal Redemption Amount determined in connection with the exercise of such termination right will be such that the Early Redemption Amount is greater than or equal to the amount invested by a Securityholder in the ETC Securities.

Events of Default and other Early Redemption Events

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

- (i) certain legal or regulatory changes occur in relation to the Issuer and the Issuer gives a notice of redemption;
- (ii) the Balancing Agreement is terminated in connection with a Balancing Agreement Event of Default or a Balancing Agreement Termination Event. See Condition 8(d)(ii) for a description of the circumstances in which the Balancing Agreement may be terminated;
- (iii) the Determination Agent, the Issuing and Paying Agent, the Secured Account Custodian, the Subscription Account Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated for any reason and the Issuer gives notice that no successor or replacement has been appointed within a 60 calendar day period;
- (iv) the Metal Entitlement per ETC Security or the Value per ETC Security for such Series is not published for 14 consecutive Scheduled Valuation Days and the Trustee is notified in writing of such event and gives the relevant notice as directed by the requisite number of Securityholders;
- (v) the Value per ETC Security is less than or equal to 20 per cent. of the Issue Price as at the Series Issue Date for two consecutive Scheduled Valuation Days and the Determination Agent gives the relevant notice;
- (vi) the Issuer will, or there is a substantial likelihood that it will, be required to make a payment in respect of VAT or be required to account for VAT in respect of a delivery of Metal from or to an Authorised Participant (whether or not such VAT is recoverable);
- (vii) a Securityholder does not, upon request, receive a firm bid price for its ETC Securities from an Authorised Participant for five consecutive Scheduled Valuation Days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive Scheduled Valuation Day period and the Issuer gives the relevant notice;
- (viii) a Balancing Agreement Event of Default occurs and is continuing with respect to the Programme Counterparty and the Trustee is directed by the requisite number of Securityholders to give the relevant notice;

- (ix) the Issuer becomes entitled to serve a VAT Redemption Event Notice or a termination notice under the Balancing Agreement following a Balancing Agreement Tax Event or a Balancing Agreement Illegality and the Trustee gives the relevant notice as directed by the requisite number of Securityholders; or
- (x) an Event of Default occurs under Condition 14 of the ETC Securities and the Trustee gives the relevant notice.

Following the occurrence of an Early Redemption Event or the delivery by the Trustee of an Event of Default Redemption Notice in respect of an Event of Default under the Conditions of the relevant Series of ETC Securities, such Series of ETC Securities will become due and payable on the relevant Early Redemption Date at the Early Redemption Amount per ETC Security, being the greater of (i) the Early Metal Redemption Amount and (ii) the Minimum Debt Amount.

If the Early Metal Redemption Amount falls below the Minimum Debt Amount, then due to the limited recourse nature of the ETC Securities, Securityholders are unlikely to receive payment of the Early Redemption Amount in full and may receive zero.

The Issuer's ability to make the payments due under the Conditions relating to the ETC Securities on their early redemption is entirely dependent on its receipt of (i) any amount of unallocated Metal outstanding from the Programme Counterparty pursuant to the relevant Balancing Agreement; and (ii) disposal proceeds of the Underlying Metal from the Metal Agent. Accordingly, the Issuer and the Securityholders of a Series are exposed to the creditworthiness of (A) the Programme Counterparty to the extent of any shortfall of the Underlying Metal compared to the Aggregate Final Metal Entitlement; and (B) the Metal Agent in respect of the disposal proceeds of the Underlying Metal. If the Issuer does not pay the Early Redemption Amount in full on the Early Redemption Date of the ETC Securities, the Trustee may (subject to the terms of the relevant Security Deed) enforce the security under the Security Deed relating to the relevant ETC Securities. However, if, following the realisation in full of the Secured Property relating to the relevant Series of ETC Securities (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 6, there are any outstanding claims against the Issuer in respect of such Series of ETC Securities which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances investors in the ETC Securities may not receive back their investment and may receive zero.

Disruption Events

If the Programme Counterparty and/or the Determination Agent gives a Disruption Event Notice in respect of a Business Day, then the Metal Entitlement per ETC Security and the Value per ETC Security will not be published in respect of such Business Day.

If the Programme Counterparty or the Determination Agent determines that a Disruption Event has occurred or exists with respect to the Early Redemption Valuation Date or the Final Redemption Valuation Date, such date may be postponed for up to 10 Business Days (after which, if no Scheduled Valuation Day has occurred, the Programme Counterparty may determine the Metal Entitlement per ETC Security as at the Early Redemption Valuation Date or the Final Redemption Valuation Date (as applicable)).

The determination of the occurrence or existence of a Disruption Event by the Programme Counterparty or the Determination Agent may also result in the extension of a Redemption Disposal Period and will result in the postponement of the acceptance of Subscription Orders and Buy-Back Orders. The occurrence of 10 consecutive Disrupted Days may also lead to the early redemption of the ETC Securities.

In respect of FX Hedged ETC Securities, the Metal Entitlement per ETC Security on the first Scheduled Valuation Day following the determination of the occurrence or existence of a Disruption Event may also be calculated in accordance with an adjusted method in accordance with Condition 9(e).

Therefore, Securityholders should be aware that the delivery of a Disruption Event Notice by the Programme Counterparty or the Determination Agent may have an adverse effect on the quantum and on the timing of the calculation and publication of the Metal Entitlement per ETC Security and the Value per ETC Security of the ETC Securities and may result in the early redemption of the ETC Securities.

Taxation and no gross-up

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

Transfers of Metal to or from the Issuer under the Balancing Agreement or the Authorised Participant Agreement or transfers of the sale proceeds of Underlying Metal to the Issuer under the Metal Agent Agreement in relation to a Series of ETC Securities may be subject to charges, withholding or deduction for, or on account of, Taxes (including VAT). In such circumstances the sums available to the Issuer (and/or the Trustee) to pay the Final Redemption Amount or the Early Redemption Amount may not be sufficient to satisfy in full the claims of the Securityholders and all creditors whose claims rank in priority to those of the Securityholders.

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

Meetings of Securityholders, resolutions, modification, waivers and substitution

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

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

a change to the Conditions or by some other decision that affects your investment in the ETC Securities even though you have not agreed to such change.

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

These include (without limitation):

- (i) the transfer of Metal to the Programme Counterparty under the Balancing Agreement and to an Authorised Participant under the Authorised Participant Agreement and the related release of Security provided such transfer and release is effected in accordance with the terms of the Balancing Agreement and the Authorised Participant Agreement (as applicable);
- (ii) changes to the Product Fee Percentage at any time (whether due to a change in the Base Fee Percentage or the FX Hedging Fee Percentage);
- (iii) the appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (iv) the substitution of the relevant Price Source with a Successor Price Source pursuant to Condition 10;
- (v) the transfer, novation or assignment of the relevant Balancing Agreement pursuant to Condition 11(b);
- (vi) the increase of the Programme Maximum Number of ETC Securities; and
- (vii) the amendment(s) to any term of the Conditions or any Transaction Document which relate(s) to an operational or procedural issue.

Securityholder directions

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

Exchange rates and exchange controls

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

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

Risks relating to the Balancing Agreement

As a result of settlement under the Balancing Agreement only taking place on a periodic basis, the Issuer might at times hold an amount of Underlying Metal that is more or less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series.

In addition, it should be noted that the deliveries required under the Balancing Agreement are not adjusted to reflect subscriptions and buy-backs of ETC Securities that are pending but have not settled at the relevant Observation Date. Such subscriptions and buy-backs would only be taken into account on the next following Observation Date. As a result, this might also cause the amount of Underlying Metal held by the Issuer to be more or less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series.

Where the amount of Underlying Metal held by the Issuer is less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series (which is primarily expected to occur in respect of FX Hedged ETC Securities where the Issuer has made a gain on the currency hedging component but which may also occur as a result of buy-backs that are pending but which have not settled at the relevant Observation Date) then the Issuer and, therefore the Securityholders, will have an unsecured credit exposure to the Programme Counterparty. Any failure by the Programme Counterparty to deliver the amounts of unallocated Metal required by the Balancing Agreement may lead to the early redemption of the ETC Securities and may also result in the Issuer not being able to pay the Final Redemption Amount or Early Redemption Amount in full.

Additionally, as the transfers contemplated under the Balancing Agreement require the transfer of Metal in unallocated form, this may require the Issuer to de-allocate Underlying Metal held in allocated form in advance of a settlement of a transfer required to be made by the Issuer, or result in the Issuer holding Underlying Metal in unallocated form (prior to allocation by the Secured Account Custodian) after receipt of a transfer from the Programme Counterparty. Holdings of Underlying Metal in unallocated form are subject to the risks described in the risk factor entitled "*Metal held in unallocated accounts is not segregated from the Secured Account Custodian's or the Subscription Account Custodian's other assets in the case of insolvency*" below.

Transfer of Balancing Agreement

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

Risks relating to the Metals and Foreign Exchange Hedging

Precious Metal linked securities

The ETC Securities are precious metal linked securities.

Prospective investors should be aware that the price of a Metal can go down as well as up and that the performance of a Metal in any future period may not mirror its past performance. There can be no assurance as to the future performance of any Metal to which the ETC Securities are linked.

The Value per ETC Security of the ETC Securities incorporates a deduction for Product Fees and, in the case of FX Hedged ETC Securities, a currency hedging component, both of which affect how closely the ETC Securities track the price of the relevant Metal. Due to this and other factors, the ETC Securities may trade differently from the performance of the Metal to which the ETC Securities are linked and changes in the market price of the Metal may not result in a comparable change in the market price or in the Value per ETC Security of the ETC Securities.

The performance of a precious metal is dependent upon macroeconomic factors such as supply and demand, liquidity, natural disasters, direct investment costs, location and changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies. See “*Risks related to Precious Metals Generally*” below.

An investment in the ETC Securities linked to a Metal is not the same as investing directly and physically holding the relevant Metal. This is because while holding an inventory of physical precious metals may have certain economic benefits (for example, a jewellery firm could use a reserve of gold for the continuation of its operations), it also poses administrative burdens and costs, including those arising from the need to store, arrange security for or transport physical precious metals. These administrative burdens and costs may prove unattractive to investors who are interested solely in the price movement of precious metals. Each Series of ETC Securities permits an investor to obtain exposure to the prices of precious metals without being directly subject to these administrative burdens and costs (although an investor in ETC Securities will incur a fee represented by the deduction of the Product Fee in determining the Metal Entitlement per ETC Security). However, an investor in a product linked to precious metals can be indirectly exposed to the administrative burdens and costs mentioned above, as these may be reflected in the prices at which the precious metals can be bought and therefore in the price of the ETC Securities.

Shortage of Physical Metal

Metal markets, particularly in platinum, palladium and rhodium have the potential to suffer from market disruption or volatility caused by shortages of physical metal. Such events could result in sudden increases in Metal prices for a short period (also known as price spikes). Price spiking can also result in volatile forward rates and lease rates which could result in the bid/offer spread (the difference between the bid price (i.e. the price at which a holder can sell ETC Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy ETC Securities from the Authorised Participant)) on any stock exchange or market where the ETC Securities are traded to widen, reflecting short-term forward rates in the Metal.

The recent growth of investment products offering investors an exposure to precious metals (including products similar to the ETC Securities and the ETC Securities themselves) may significantly change the supply and demand profile of the market from that which has traditionally prevailed. Changes in supply and demand for such investment products will directly impact on the supply and demand in the market for the underlying precious metals. This may have the effect of increasing volatility in the price and supply of the relevant previous metals. Such products require the purchase and sale of the relevant precious metal, and, depending on the success of such products, this may lead to a substantial increase in the volume of transactions.

Liquidity Risk

The market price of the ETC Securities will be a function of the supply and demand amongst investors wishing to buy and sell the ETC Securities and the bid/offer spread that market-makers are willing to quote for the ETC Securities on any relevant stock exchange or market. If there is a high level of demand

for a relevant Series of ETC Securities then, other things remaining equal, those ETC Securities are likely to trade at a premium. Authorised Participants have the right (but not the obligation) to require the Issuer to issue further ETC Securities of a Series. If the Authorised Participants exercise such right, this will increase supply and would reduce any such premium. Investors who buy ETC Securities at a premium risk losing such premium if demand for such Series of ETC Securities abates, when new ETC Securities of an existing Series of ETC Securities are issued or new Metal is sold into the open market.

Redemption Amounts and Early Redemption Amounts are calculated and paid irrespective of the current Metal price

The Metal Agent will sell Underlying Metal during the Redemption Disposal Period and the prices obtained in such sales will affect the determination of the Final Redemption Amount or Early Redemption Amount (as applicable). During the Redemption Disposal Period, the Metal Agent will sell the Underlying Metal at the then-current Metal prices. Assuming all other factors remain constant, lower Metal prices during the Redemption Disposal Period will lead to a lower Redemption Amount and Early Redemption Amount.

No confirmation of the fineness or weight required by the standards of the LBMA or the LPPM

None of the Trustee, the Determination Agent, the Secured Account Custodian or any applicable Sub-Custodian independently confirms the fineness or weight of the Underlying Metal held in allocated form in the Secured Allocated Account. Such Underlying Metal may be different from the reported fineness or weight required by the relevant standards of the LBMA or the LPPM, as the case may be, for Metal to be delivered in settlement of a trade in such Metal, and any shortfall in the required fineness or weight of allocated Underlying Metal may adversely affect the value of the ETC Securities.

Purchasing or selling activity in the market may cause temporary increases or decreases in the price of Metal, which may have an adverse effect on the value of the ETC Securities

Purchasing activity associated with acquiring Metal required for the Authorised Participant to subscribe for ETC Securities of a relevant Series may temporarily increase the market price for the relevant Metal, which may result in a higher Value per ETC Security for certain periods of time. Other market participants may attempt to benefit from an increase in the market price of the relevant Metal due to increased purchasing activity of the relevant Metal connected with the issuance of new securities of a Series of ETC Securities which could result in a temporarily higher Value per ETC Security.

Conversely, selling activity by the Issuer following the Final Redemption Valuation Date or, where relevant, an Early Redemption Valuation Date, may be observed and or predicted by other market participants who may attempt to benefit by purchasing any relevant Metal at artificially lower prices than would have occurred had no such Final Redemption Valuation Date or Early Redemption Valuation Date occurred or by short selling the relevant Metal (selling borrowed Metal with the intention of buying it back at a later date at a lower price), which may have the effect of lowering the price of the Metal.

Impact of Foreign Exchange Hedging

If a Series of ETC Securities is denominated in a currency other than the Metal Currency, the Metal Entitlement per ETC Security of such ETC Securities will include a currency hedging component to convert the value of the Metal denominated in the Metal Currency into the same currency as that in which the ETC Securities are denominated. For the purposes of the Conditions, such ETC Securities are FX Hedged ETC Securities. The formula for calculation of the Metal Entitlement per ETC Security of FX Hedged ETC Securities will reflect the effect of a rolling currency hedge generally entered into on each Scheduled Valuation Day. Such currency hedge typically involves the notional forward sale of the Metal Currency and purchase of the currency in which the ETC Securities are denominated and is designed to reduce the exposure of the Metal (and, therefore, the ETC Securities) to exchange rate fluctuations between such currencies. However, such hedges do not fully eliminate exchange rate risks or

fluctuations and, depending on movements in exchange rates, such currency hedging might have a negative impact on the Value per ETC Security.

Metal held in unallocated accounts is not segregated from the Secured Account Custodian's or the Subscription Account Custodian's other assets in the case of insolvency

Underlying Metal which is held as part of the subscription, redemption or buy-back process for any time in the Secured Unallocated Account or the Subscription Account will not give the Issuer proprietary rights to specific Metal bars, ingots or other metal shapes and the Issuer will be an unsecured creditor of the Secured Account Custodian (with respect to the amount of Underlying Metal held in the Secured Unallocated Account) or the Subscription Account Custodian (with respect to the amount of Underlying Metal held in the Subscription Account). In addition, if the Secured Account Custodian fails to allocate any Underlying Metal in a timely manner, in the proper amounts or otherwise in accordance with the terms of the Custody Agreement for Secured Accounts or if the Sub-Custodian of the Secured Account Custodian fails to segregate Underlying Metal held on behalf of the Secured Account Custodian, then such Underlying Metal would be in unallocated form, and the Issuer would be an unsecured creditor of the Secured Account Custodian with respect to the amount of Underlying Metal so held in the event of an insolvency of the Secured Account Custodian. In the event that the Secured Account Custodian or the Subscription Account Custodian becomes insolvent, the Secured Account Custodian's assets or the Subscription Account Custodian's assets (as applicable) may not be sufficient to satisfy a claim by the Issuer or the Trustee for the amount of Underlying Metal held in the Secured Unallocated Account or Subscription Account (as applicable).

In the event of an insolvency of the Secured Account Custodian or any Sub-Custodian, a liquidator may seek to freeze access to any allocated Metal held by the Issuer via the Secured Account Custodian or any such Sub-Custodian, and even though title could be properly ascertained to belong to the Issuer, the Issuer could incur expenses in connection with asserting such claims.

Certain Metal held in the Subscription Account is not secured in favour of the Trustee in respect of a Series of ETC Securities

In advance of an issue of ETC Securities to an Authorised Participant, such Authorised Participant will deliver Metal to the Issuer's Subscription Account in satisfaction of its obligation to transfer the Initial Metal Entitlement per ETC Security to the Issuer in respect of each ETC Security to be issued. Upon the issue of such ETC Securities to the relevant Authorised Participant, such Metal will form part of the Secured Property with respect to such Series of ETC Securities and upon notification to the Subscription Account Custodian of such issue of ETC Securities, shall be transferred by the Subscription Account Custodian to the Secured Accounts. Unallocated Metal credited to the Subscription Account only forms part of the Secured Property with respect to such Series of ETC Securities following the issue of ETC Securities in respect of the Subscription Order to which such Metal relates and prior to such issue of ETC Securities, will not be available to the Trustee on behalf of the Securityholders of such Series of ETC Securities upon any enforcement of the Security with respect to such Series of ETC Securities.

Reliance on the records of the Secured Account Custodian and the Subscription Account Custodian

The definitive records of the Secured Account Custodian in respect of the Secured Unallocated Account and the Secured Allocated Account and of the Subscription Account Custodian in respect of the Subscription Account are prepared by members of their bullion operations teams and their computer systems which track the amount of Underlying Metal in each account for each relevant Series of ETC Securities. In the event that there are computer system failures or human error making any relevant entries to the records, then in the event of an insolvency of the Secured Account Custodian or the Subscription Account Custodian it may be difficult to determine the accuracy of any entries and such determination may take significant time.

VAT might become chargeable on transfers of Metal

If the Issuer is required to make payments in respect of VAT or required to account for VAT in respect of transfers of Metal, this may adversely affect the Issuer's ability to meet its obligations under the ETC Securities in full.

The Issuer may appoint a tax representative to manage its VAT compliance requirements and therefore an additional cost to the programme will be reflected in determining the investment returns.

Disruption of markets on which precious metals are traded

Any disruption to the over-the-counter market of the LBMA or the LPPM (as relevant) or the primary exchange or trading facility for trading of the relevant Metal can affect the price of such Metal and the Value per ETC Security of the ETC Securities. Markets, exchanges and trading facilities have the potential to suffer from market disruption, due to trading failures or other events. Such events could result in a failure to price the Metal and this may result in non-calculation and non-publication of the Metal Entitlement per ETC Security and/or the Value per ETC Security of the ETC Securities. If such ETC Securities are FX Hedged ETC Securities, such disruption may also lead to the Metal Entitlement per ETC Security being calculated in accordance with an adjusted method which reflects the effect of the rolling currency hedge during such disruption of trading in the relevant Metal.

Disruption of foreign exchange markets

In respect of FX Hedged ETC Securities, any disruption to the trading in foreign exchange contracts between the currency of the Metal and the currency in which the Series of ETC Securities are denominated or the non-publication of foreign exchange rates can affect the price of such foreign exchange contracts and the Value per ETC Security of the ETC Securities. Such disruption could result in non-calculation and non-publication of the Metal Entitlement per ETC Security and/or the Value per ETC Security of the ETC Securities for the period of disruption.

Risks related to Precious Metals Generally

Risks relating to the performance of a precious metal

Precious metals markets have historically displayed recurring periods of rising prices (bull markets) and falling prices (bear markets). These periods have tended to last for a significant period of time. For example, the last lengthy bear market persisted for approximately 25 years. In 1998, prices in a number of precious metals were at, or near, all-time lows. Since 1998, precious metals markets have generally experienced a period of rising prices, despite price corrections in 2008 and 2011. However, no assurance can be given that such period of rising prices will persist, whether for a number of years or at all. Prospective investors should be aware of the risk that precious metals markets may at any time enter a period of falling prices, which would have a negative effect on the Value per ETC Security and the market price of the ETC Securities, and which period may persist for the remaining term of the ETC Securities. Prospective investors should be aware that any such price fall may be rapid.

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

- (i) ***Supply and demand.*** Precious metals are typically considered a finite rather than a renewable resource. If supplies of a precious metal increase the price of the precious metal will typically fall and *vice versa* if all other factors remain constant. Similarly if demand for a precious metal increases the price of the precious metal will typically increase and *vice versa* if all other factors

remain constant. The planning and management of precious metal supplies is very time-consuming. This means that the scope for action on the supply side is limited and it is not always possible to adjust production swiftly to take account of demand. Demand can also vary on a regional basis. Transport costs for precious metals in regions where they are needed also affect their prices. In relation to the use of precious metals in jewellery and/or for other non-industrial uses, substitutes may become more accepted over time. In relation to the use of precious metals in industrial processes, alternatives or substitutes may be identified, become cheaper and/or more readily available. In both cases, this may result in a decrease in the demand for such precious metal and a decrease in the price thereof.

- (ii) **Liquidity.** Not all markets in precious metals are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the precious metals markets means that speculative investments can have negative consequences and may distort prices.
- (iii) **Natural disasters.** The occurrence of natural disasters can influence the supply of certain precious metals. This kind of supply crisis can lead to severe and unpredictable price fluctuations.
- (iv) **Direct investment costs.** Direct investments in precious metals involve storage, security, insurance and tax costs. Moreover, no interest or dividends are paid on precious metals. The returns from investments in precious metals are therefore influenced by these factors.
- (v) **Location.** Precious metals are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is, however, far less stable in many emerging market countries than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can, as a consequence, affect precious metal prices. Armed conflicts can also impact on the supply and demand for certain precious metals. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services. This can directly and indirectly impact precious metal prices. Furthermore, precious metal producers may establish organisations or cartels in order to regulate supply and influence prices.
- (vi) **Changes in tax rates.** Changes in tax rates and customs duties may have a positive or a negative impact on the profit margins of precious metal producers. When these costs are passed on to purchasers, these changes will affect prices.
- (vii) **Changes in exchange rates and interest rates.** Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of precious metals and the returns from investments in precious metals are therefore influenced by and may be correlated to these factors.
- (viii) **Laws, regulation and action of regulatory bodies.** Changes in law and regulation and/or the action of any applicable government or regulatory body may have a positive or a negative impact on precious metal prices and on any of the factors listed above.

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

Crises may precipitate large-scale sell-offs of Metal which could lead to a fall in the Metal price and consequently a decrease in the Value per ETC Security of the ETC Securities

The possibility of large-scale distressed sales of Metal in times of crisis may have a short to medium term effect on the price of the Metal and adversely affect the Value per ETC Security of the ETC Securities. For example, the 1998 Asian financial crisis led to individuals selling gold which in turn caused the gold price to become depressed. Similar events could occur in the future.

Sales of Metal by national and supranational organisations could adversely affect the Value per ETC Security of the ETC Securities

Central banks, other government agencies and supranational organisations, such as the International Monetary Fund, that buy, sell and hold precious metals as part of their reserve assets may decide to sell a portion of their assets, which are not normally subject to use in the open market via swaps or leases or mobilised in other ways. A number of central banks, including the Bank of England, have sold significant portions of their gold over the last ten to fifteen years, which has meant that governmental and supranational organisations have generally been a net supplier to the open market. If there are sales of gold or other precious metals by the public sector to the private sector there may be a glut of supply over demand, leading to a lower price on the open market for a relevant precious metal and consequently a decrease in the Value per ETC Security of a relevant Series of ETC Securities.

Further, as the price of some precious metals are correlated to some extent (i.e. there is some linkage in the prices of the precious metals – for example, an increase in the price of gold might also lead to an increase in the price of platinum as they are both seen by the financial markets as ways to hedge against inflation), a significant sale, for instance, of gold by central banks, other government agencies or supranational organisations could lead to a decline in the market price of other precious metals and consequently a decrease in the Value per ETC Security of a relevant Series of ETC Securities.

The Central Bank Gold Agreement may not be renewed

As of the date of this Base Prospectus, the Central Bank Gold Agreement (the “**CBGA**”) dated 7 August 2009 is in place between the European central banks who signed the previous CBGA, the European Central Bank and several other central banks whose governments are currently looking to adopt the Euro as their national currency, and is in effect from 27 September 2009 for a period of five years. The CBGA binds the central banks who signed the CBGA to a limit on (i) annual disposals of gold and (ii) disposals of gold over the five year period on a collective basis. There can be no guarantee that such an agreement will be renewed in 2014 when the current agreement expires. Any lack of renewal may lead to substantial sales of gold on the open market, a decrease in the price of gold (and possibly other precious metals) and consequently a decrease in the Value per ETC Security of the ETC Securities in respect of which the Metal is Gold (and possibly ETC Securities in respect of which the Metal is Silver, Platinum, Palladium or Rhodium).

The current CBGA does not bind any central banks outside of Europe, such as the Federal Reserve of the United States, and so may only have a limited effect on governmental and supranational sales of gold that influence the market price for gold and other precious metals.

Risks relating to the Metal Agent, the Secured Account Custodian, the Subscription Account Custodian and relevant Sub-Custodians

The ability of the Issuer to meet its obligations under the ETC Securities depends on the receipt by it (or the Issuing and Paying Agent on its behalf) of the net proceeds of the liquidation of Underlying Metal by the Metal Agent shortly before the Scheduled Maturity Date or the Early Redemption Date (as applicable). Therefore, Securityholders of a Series are exposed to the creditworthiness of the Metal Agent in respect of the disposal proceeds of the Underlying Metal. The obligations of the Metal Agent to the Issuer under the Conditions and the relevant Metal Agent Agreement are secured pursuant to the related Security Deed.

The Issuer will hold any Underlying Metal owned by it and held for a Series of ETC Securities with the Secured Account Custodian on the terms of the relevant Custody Agreement for Secured Accounts (and, following an issue of ETC Securities but prior to the transfer of unallocated Metal equal to the Subscription Settlement Amount to the Secured Accounts, with the Subscription Account Custodian on the terms of the relevant Custody Agreement for the Subscription Account). The Secured Account Custodian is permitted to hold property delivered or received by it for the Issuer in custody accounts with

one or more Sub-Custodians provided they satisfy certain eligibility criteria. Metal transferred to the Issuer and held in the Subscription Account does not form part of the Secured Property in respect of such Series of ETC Securities until the settlement of the related subscription of ETC Securities.

The Issuer's ability to meet its obligations with respect to the ETC Securities will be dependent upon receipt by the Issuer of deliveries from the Secured Account Custodian (and of the deliveries from the Subscription Account Custodian to the Secured Account Custodian) and performance by the Secured Account Custodian of its obligations under the relevant Custody Agreement for Secured Accounts and the Subscription Account Custodian of its obligations under the relevant Custody Agreement for the Subscription Account. Consequently, the Securityholders are also relying on the creditworthiness of the Secured Account Custodian, the Subscription Account Custodian (and/or any relevant Sub-Custodian). In the event of a bankruptcy or insolvency of the Secured Account Custodian or the Subscription Account Custodian (or any relevant Sub-Custodian), there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the property held with the Secured Account Custodian, Subscription Account Custodian or relevant Sub-Custodian on a timely basis. In addition, although in the accounts of the Secured Account Custodian maintained for the Issuer the Secured Account Custodian is required to segregate any allocated Metal with respect to one Series of ETC Securities from any Metal held for any other Series of ETC Securities and from any assets held in other client accounts or for their own account, Securityholders will be at risk if the Secured Account Custodian does not, in practice, maintain such a segregation. Similar issues may arise with respect to any Sub-Custodian used.

Custody and Insurance

All Underlying Metal held in allocated form will be held by the Secured Account Custodian or applicable Sub-Custodian in each case in its vaults in London. Access to such Underlying Metal could be restricted by, without limitation, natural events, such as earthquakes, or human activities, such as political protests or terrorist attacks.

None of the Secured Account Custodian, the Subscription Account Custodian or any relevant Sub-Custodian will have any duty or obligation to insure any Metal held or received by it against any risk (including the risk of theft, loss, damage, destruction or misdelivery). Neither the Secured Account Custodian nor the Subscription Account Custodian will be liable to the Issuer or any Securityholder or any other person for any loss or destruction or depreciation in the value of any Metal held or received by it, or (in the case of Underlying Metal in allocated form) held by a Sub-Custodian for it, unless such loss, destruction or depreciation is the direct result of the Secured Account Custodian's or the Subscription Account Custodian's negligence, fraud, bad faith or wilful misconduct. Neither the Secured Account Custodian nor the Subscription Account Custodian is responsible for the acts, omissions, defaults or insolvency of any third party including in the case of the Secured Account Custodian (but not limited to), any Sub-Custodian. The Secured Account Custodian will only be responsible for losses suffered by the Issuer as a direct result of its negligence, fraud, bad faith or wilful default in the appointment and monitoring of any non-affiliated Sub-Custodian. Otherwise, the Secured Account Custodian is not liable for any act or omission, or for the solvency, of any non-affiliated Sub-Custodian. The Trustee shall not be responsible for ensuring that adequate insurance arrangements have been made and in particular for insuring any Metal in any unallocated or allocated accounts, or making any enquiry regarding such matters.

Therefore, there is a risk that Underlying Metal held in allocated form could be lost, damaged or stolen and the Issuer would not be able to fully satisfy its obligations in respect of the ETC Securities, all other factors remaining constant. The Issuer cannot expect to receive an amount of unallocated Metal equal to this shortfall from the Programme Counterparty under the Balancing Agreement. The Securityholders do not have the right under the Conditions to assert a direct claim of the Issuer against the Secured Account Custodian, the Subscription Account Custodian or any applicable Sub-Custodian, and such claims may only be asserted by the Issuer (subject to any applicable assignment of the rights of the Issuer under any

relevant Transaction Document). The Issuer is likely to have no, or only extremely limited direct rights against any Sub-Custodian, as the Sub-Custodian effectively acts for the Secured Account Custodian.

The relevant Sub-Custodian may, but is not obliged to, have such insurance as is considered customary for its business but neither the Issuer nor the Secured Account Custodian will be a beneficiary of any insurance policy held by the relevant Sub-Custodian in respect of any Metal held in its custody.

Conflicts of Interest

Deutsche Bank AG

As at the date of the Base Prospectus, Deutsche Bank AG is the Arranger, and the Issuer intends to appoint Deutsche Bank AG as Issuing and Paying Agent, Secured Account Custodian, Subscription Account Custodian and Metal Agent and to appoint Deutsche International Corporate Services (Ireland) Limited, an Affiliate of Deutsche Bank AG, as Determination Agent and Deutsche Trustee Company Limited, an Affiliate of Deutsche Bank AG, as Trustee on the issue of any Series of ETC Securities. Deutsche Bank AG is also intended to be the Programme Counterparty in relation to any Series of ETC Securities. Deutsche Bank AG acting through any of its branches or Affiliates may also be an Authorised Participant in relation to a Series of ETC Securities.

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

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

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

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

Deutsche Bank entities may, from time to time, by virtue of their activities, possess or have access to information relating to the Metal and/or the other Transaction Parties. For example, Deutsche Bank AG is at the date of this Base Prospectus one of the three members of the LBMA involved in the fixing of the silver price and a full member of the LPPM.

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

Any relevant research carried out by a Deutsche Bank entity may or may not be considered by Deutsche Bank AG when Deutsche Bank AG is trading for its own account or those of its customers, as the case

may be. These, or other transactions in which Deutsche Bank AG engages for its account, may be conducted in a manner inconsistent with the research related to the Metal.

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

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

Other Transaction Parties

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

A Transaction Party and/or its Affiliates may be entitled to receive fees or other payments under or in connection with other products linked to the Metal to which the ETC Securities relate or otherwise and to exercise all rights, including rights of termination or resignation, which they may have, even though so doing may have a detrimental effect on investors in the ETC Securities.

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

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

Risks relating to the Authorised Participants

If an Authorised Participant fails to settle a buy-back and does not deliver the relevant ETC Securities in circumstances where the Issuer has instructed the Secured Account Custodian to de-allocate a portion of the Underlying Metal in anticipation of settling such buy-back, until the settlement or cancellation of such buy-back, a greater proportion of the Underlying Metal would be held in unallocated form than would have been the case had the settlement of the buy-back occurred on the scheduled settlement day. Underlying Metal held in unallocated form is subject to the risks described in the risk factor entitled "*Metal held in unallocated accounts is not segregated from the Secured Account Custodian's or the Subscription Account Custodian's other assets in the case of insolvency*" above.

Risks relating to the United States Foreign Account Tax Compliance Act

The Issuer and other non-U.S. financial institutions through which payments on the ETC Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2017 pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), related US regulations that took effect on 28 January 2013, or similar law implementing an inter-governmental approach to FATCA, unless FATCA grandfathering applies. Exemption from FATCA under FATCA grandfathering rules will not apply in respect of (i) any ETC Securities which are treated as debt for U.S. federal tax purposes that are issued (or materially modified) on or after the later of (a) the date that is six months after the date on which final U.S. Treasury regulations that define the term "foreign passthru payment" are filed with the Federal Register and (b) 1 January 2014, and (ii) any ETC Securities which are treated as equity for U.S. federal tax purposes (whenever issued). Certain payments on the ETC Securities may be subject to withholding imposed pursuant to FATCA if the Issuer is considered a foreign financial institution ("**FFI**") under FATCA and either mandatorily becomes a "Partner Jurisdiction FI" due to an intergovernmental agreement between the U.S. and the Issuer's country of incorporation or otherwise enters into an FFI Agreement with the Internal Revenue Service ("**IRS**"). If under such circumstances holders of ETC Securities fail to provide certain information or if a holder of ETC Securities is a nonparticipating FFI, such payments may become subject to withholding tax beginning on 1 January 2017 (at the earliest). The withholding obligation in respect of a nonparticipating FFI may apply whether that FFI is receiving payments for its own account or on behalf of another person. If such withholding on account of FATCA applies, there will be no additional amount payable by way of compensation to the holder for the deducted amount. In addition, if the Issuer is considered an FFI under FATCA, fails to comply with its obligations arising thereunder and is not otherwise exempted under the terms of an applicable intergovernmental agreement, the Issuer would be considered nonparticipating and would from certain dates starting from 1 January 2014 be subject to 30 per cent. withholding tax on all, or a portion of, payments received from U.S. sources and from participating FFIs. This might result in payments to the Issuer in respect of certain assets of the Issuer being subject to U.S. withholding tax. Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the ETC Securities and/or the Swap Agreement. No other funds will be available to the Issuer to make up any such shortfall.

THE FATCA PROVISIONS ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. NOTHING IN THE PARAGRAPH ABOVE CONSTITUTES OR PURPORTS TO CONSTITUTE TAX ADVICE AND SECURITYHOLDERS ARE NOT ENTITLED TO RELY ON ANY PROVISION SET OUT IN THE PARAGRAPH ABOVE FOR PURPOSES OF MAKING ANY INVESTMENT DECISION, TAX DECISION OR OTHERWISE. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF THE FATCA PROVISIONS AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT IT IN ITS PARTICULAR CIRCUMSTANCE.

COMMONLY ASKED QUESTIONS

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

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

1 What are the ETC Securities?

The ETC Securities are secured debt securities issued by DB ETC plc, a Jersey company set up as the administrative vehicle for issuing the ETC Securities. The ETC Securities are designed to provide investors with exposure to a precious Metal which will be either Gold, Silver, Platinum, Palladium or Rhodium. They enable investors to gain such exposure without having to take physical delivery of the Metal.

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

2 How do the ETC Securities give me exposure to precious Metals?

The ETC Securities are long-dated securities that promise to pay an amount at maturity linked to the value of a precious Metal. The amount payable in respect of the ETC Securities and the Value per ETC Security is linked to the performance of the Metal specified in the relevant Final Terms. The ETC Securities are backed by the Underlying Metal which is held by or on behalf of the Issuer and the proceeds from the disposal of the Underlying Metal, net of any deductions (and, in the case of FX Hedged ETC Securities, converted into the currency of the ETC Securities using the spot FX exchange rate), will equal the amount due under the ETC Securities.

Because the Issuer obtains its exposure to the precious Metal by physically investing directly in the relevant Metal, these types of ETC Securities are known as physical replication exchange traded commodities.

3 What are precious metals?

Market convention is that the term “bullion” refers to gold and silver whereas the term “precious metals” refers to bullion, platinum, palladium and other platinum group metals. The “platinum group metals” are platinum, palladium, iridium, osmium, rhodium and ruthenium. However, for the purposes of this Base Prospectus, the term “precious metals” shall be deemed to be limited to bullion, platinum, palladium and rhodium.

4 Is an investment in the ETC Securities linked to a Metal the same as investing directly in the relevant Metal?

An investment in the ETC Securities linked to a Metal is not the same as investing directly and physically holding the relevant Metal. This is because while holding an inventory of physical precious metals may have certain economic benefits (for example, a jewellery firm could use a reserve of gold for the continuation of its operations), it also poses administrative burdens and costs, including those arising from the need to store, arrange security for or transport physical precious metals. These administrative burdens and costs may prove unattractive to investors who are interested solely in the price movement of precious metals. Each Series of ETC Securities permits an investor to obtain exposure to the prices of precious metals without being directly subject to these administrative burdens and costs (although an investor in ETC Securities will incur a fee represented by the deduction of the Product Fee in determining

the Metal Entitlement per ETC Security). However, an investor in a product linked to precious metals can be indirectly exposed to the administrative burdens and costs mentioned above, as these may be reflected in the prices at which the precious metals can be bought and therefore in the price of the ETC Securities.

The Value per ETC Security of the ETC Securities incorporates a deduction for Product Fees and, in the case of FX Hedged ETC Securities, a currency hedging component, both of which affect how closely the ETC Securities track the price of the relevant Metal. Due to this and other factors, the ETC Securities may trade differently from the performance of the Metal to which the ETC Securities are linked and changes in the market price of the Metal may not result in a comparable change in the market price or in the Value per ETC Security of the ETC Securities.

5 *What other factors impact the return on a precious metal?*

The performance of a precious metal is dependent upon macroeconomic factors such as supply and demand, liquidity, natural disasters, direct investment costs, location and changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies.

Precious metal prices tend to be more volatile than most other asset categories, making investments in precious metals riskier and more complex than other investments.

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

Each ETC Security relates to a specific amount of Metal, known as the Metal Entitlement per ETC Security. On any particular day, the ETC Security can be viewed as giving an exposure to that amount of Metal. In order to back its obligations under the ETC Securities, the Issuer will seek to hold an aggregate amount of Metal broadly equal to the aggregate Metal Entitlement per ETC Security, although, as described below, the precise amount it holds at any time may be more or less than such aggregate amount.

Each ETC Security is issued by the Issuer to an Authorised Participant. The Issuer will, as subscription proceeds for the issue of ETC Securities, receive an amount of the relevant Metal from the Authorised Participants subscribing for the ETC Securities sufficient to cover the initial aggregate Metal Entitlement per ETC Security. For example, if 100,000 Physical Gold ETC Securities were issued with an initial Metal Entitlement per ETC Security of 0.1 fine troy ounce, this would mean that the Authorised Participant would have to deliver 10,000 fine troy ounces of Gold.

The Issuer will hold such Metal with Deutsche Bank AG as custodian. The custodian may, in turn, hold allocated Metal via a sub-custodian.

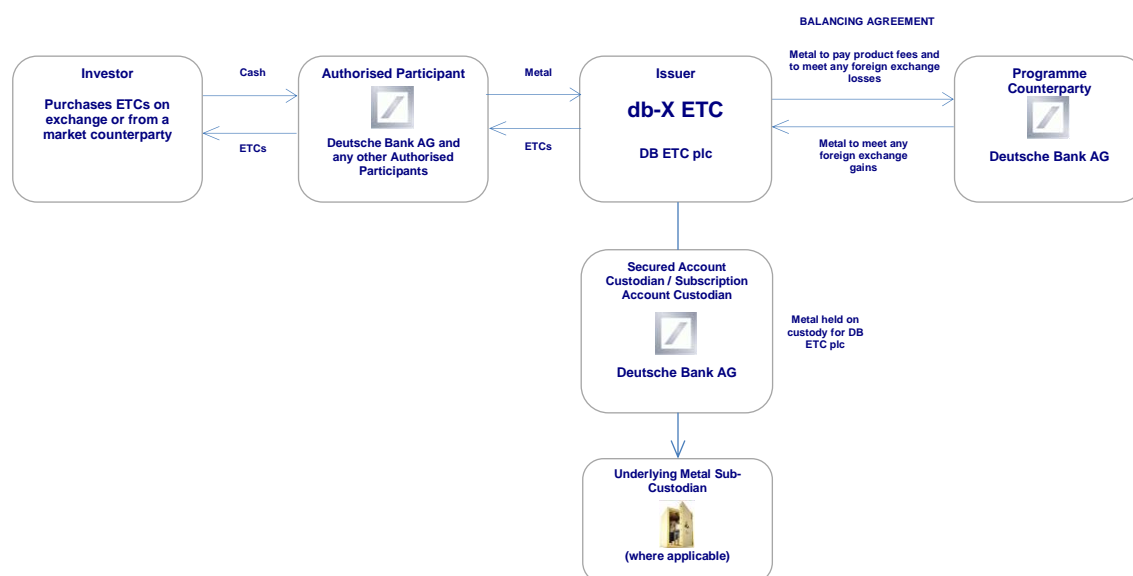
The ETC Securities are subject to a Product Fee. This fee is reflected by a daily reduction in the Metal Entitlement per ETC Security (as described in "What fees do I pay?" below). The fee is payable to Deutsche Bank AG as Programme Counterparty under an agreement known as the Balancing Agreement. The Issuer pays the fee by delivering an amount of Metal to the Programme Counterparty (rather than as a cash payment). Such payment will happen on a periodic (typically monthly) basis.

In addition, certain ETC Securities may be subject to a foreign exchange hedge. These are known as FX Hedged ETC Securities. The foreign exchange hedge seeks to reduce the exposure of the ETC Securities to exchange rate fluctuations between the currency in which the ETC Securities are denominated and the Metal Currency. It does this by reflecting the effect of a notional forward sale of the Metal Currency and purchase of the currency in which the ETC Securities are denominated (see further "What are FX Hedged ETC Securities?" below). The foreign exchange hedge may result in gains or losses. Such gains or losses will be reflected in the Metal Entitlement per ETC Security and will therefore impact the Value per ETC Security.

Where there are gains and the Metal Entitlement per ETC Security consequently increases, the Programme Counterparty will deliver additional Metal equivalent to such increase under the Balancing Agreement. Where there are losses and the Metal Entitlement per ETC Security consequently decreases, the Issuer will be required to deliver Metal equivalent to such decrease to the Programme Counterparty under the Balancing Agreement. All such payments will be in the form of Metal and will happen on a periodic (typically monthly) basis.

No amounts are payable under the ETC Securities prior to their Scheduled Maturity Date unless the ETC Securities redeem early. Securityholders can only realise value from an ETC Security prior to its Scheduled Maturity Date by selling it at its then market price in an available secondary market.

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



7 What is an Authorised Participant?

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

8 What is the role of the Secured Account Custodian, Subscription Account Custodian and Sub-Custodian?

The Issuer will generally hold any Underlying Metal owned by it and held for a Series of ETC Securities with the Subscription Account Custodian and, once the relevant ETC Securities have been issued, with the Secured Account Custodian. The Secured Account Custodian is permitted to hold property delivered or received by it for the Issuer in custody accounts with one or more Sub-Custodians provided they satisfy certain eligibility criteria.

In connection with a new issuance of ETC Securities, any Metal delivered by an Authorised Participant will first be delivered to a Subscription Settlement Account held with the Subscription Account Custodian. The Subscription Account Custodian maintains segregated unallocated metal accounts in the name of the Issuer for each separate series of ETC Securities, each a Subscription Settlement Account. The Subscription Settlement Account is a segregated unallocated metal account in the name of the Issuer

held with the Subscription Account Custodian. Once the relevant ETC Securities have been issued, the Subscription Account Custodian transfers an amount of Metal equal to the Subscription Settlement Amount to the secured unallocated account of the respective Series of ETC Securities held with the Secured Account Custodian. If a subscription is cancelled, the Subscription Account Custodian will deliver an amount of Metal equal to the Subscription Settlement Amount back to the Authorised Participant.

The Metal will generally be held by the Secured Account Custodian on an “allocated” basis. This means that specifically identifiable items of the relevant Metal are allocated to a particular client and are segregated from Metal held for other clients. However, to facilitate subscriptions and buy-backs, the operation of the foreign exchange hedge and the deduction of the Product Fee, the Issuer may hold some of the Metal on an “unallocated” basis. This means that the Secured Account Custodian maintains an account in the name of the client which shows them as being entitled to delivery of a particular amount of the Metal but without specific metal having been identified. Where Metal is held on an “unallocated” basis the right to delivery is a purely contractual right and, as such, the client is an unsecured creditor of the custodian and is exposed to the credit risk of the custodian.

9 *What is a Metal Agent?*

The Metal Agent is appointed by the Issuer to dispose of the Underlying Metal where the ETC Securities are to be redeemed, whether at final maturity or on an early redemption. The Metal Agent will dispose of Underlying Metal during a specified Redemption Disposal Period and, shortly before the Scheduled Maturity Date or the Early Redemption Date (as applicable), will pay the aggregate proceeds of such disposals (converted, if necessary, into the currency of the ETC Securities) to the Issuer (or the Issuing and Paying Agent on the Issuer’s behalf). The Issuer’s ability to pay the Final Redemption Amount or the Early Redemption Amount on the Scheduled Maturity Date or Early Redemption Date (as applicable) is dependent on its receipt of the disposal proceeds of the Underlying Metal from the Metal Agent. Therefore, Securityholders of a Series are exposed to the creditworthiness of the Metal Agent in respect of the disposal proceeds of the Underlying Metal.

10 *When will a Metal Entitlement per ETC Security and a Value per ETC Security be calculated?*

Subject to any market disruptions, the Determination Agent is required to calculate the Metal Entitlement per ETC Security and the Value per ETC Security in respect of each Scheduled Valuation Day. A Scheduled Valuation Day is a London Business Day.

11 *What is the Metal Entitlement per ETC Security?*

Each ETC Security of a Series will have a Metal Entitlement expressed as an amount in weight of the Metal linked to such Series.

The Initial Metal Entitlement per ETC Security of an ETC Security is set on the Series Issue Date and specified in the relevant Final Terms.

Thereafter, the Metal Entitlement per ETC Security is equal to the Metal Entitlement per ETC Security for the immediately preceding non-disrupted Business Day, less any accrued fees and, if such ETC Security is a FX Hedged ETC Security, plus or minus an amount representing any gains or losses in the currency hedging component of such FX Hedged ETC Security, which relate to movements in the foreign exchange rate between the Specified Currency and the Metal Currency.

12 *What is the Value per ETC Security?*

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

The Value per ETC Security is a measure of the value per ETC Security of the Underlying Metal backing that particular Series of ETC Securities.

The Value per ETC Security depends on the performance of the Metal to which the ETC Securities are linked. If the price of the Metal rises, the Value per ETC Security should also rise. If the price of the Metal falls, the Value per ETC Security should also fall. However, the Value per ETC Security incorporates a deduction for fees and, in the case of FX Hedged ETC Securities, a currency hedging component. Depending on the performance of the Metal, the deduction of the fees and any losses on the foreign exchange hedge may erode any gains made from rises in the value of the Metal.

The following worked example shows how the Metal Entitlement per ETC Security and the Value per ETC Security is calculated in respect of non-FX Hedged ETC Securities.

1	<p>On Tuesday 15 June 2010, a new Series of ETC Securities is issued for U.S.\$122.50 each. The initial Value per ETC Security is set at U.S.\$122.50 to match the issue price.</p> <p>The ETC Securities give a return linked to Gold.</p> <p>On 15 June 2010, the Metal Reference Price of Gold is U.S.\$1,225.</p> <p>The initial Metal Entitlement per ETC Security is set at 0.1 fine troy ounce.</p>
2	<p>To determine the Value per ETC Security for Wednesday 16 June 2010, the Determination Agent does the following:</p> <p>Step 1: It first needs to calculate the Metal Entitlement per ETC Security for 16 June 2010. It does this by subtracting a fee amount (expressed in fine troy ounces) from the Metal Entitlement per ETC Security for the previous Scheduled Valuation Day.</p> <p>The fee is called the Product Fee. The Product Fee in respect of ETC Securities may be made up of two components. These are:</p> <ul style="list-style-type: none"> • a Base Fee Percentage; and • a FX Hedging Fee Percentage which reflects a fee for the provision of the foreign exchange element. However, this fee is only applicable to FX Hedged ETC Securities. <p>The level of these fees may vary from time to time (see “What fees do I pay?” below).</p> <p>In this example, we will assume that on 16 June 2010 the base fee percentage is 0.29%. In this example, because the relevant ETC Securities are not FX Hedged ETC Securities, there is no foreign exchange hedging fee. As a result, the total product fee percentage is 0.29% per annum.</p> <p>To calculate the daily fee amount, the Determination Agent needs to multiply the Metal Entitlement per ETC Security at the end of the previous Scheduled Valuation Day by the total fee percentage. This gives an annualised amount. To make this a daily amount, the Determination Agent divides by 360.</p> <p>If we do this in our current example, the daily product fee amount (expressed in fine troy ounces) would be equal to 0.1 fine troy ounce multiplied by the total product fee percentage of 0.29% per annum, and then divided by 360. This gives a daily product fee amount equal to 0.0000008056.</p> <p>The Determination Agent then needs to take that amount off the Metal Entitlement per ETC Security for the previous Scheduled Valuation Day. This reduces the Metal Entitlement per ETC Security.</p> <p>This produces the reduced Metal Entitlement per ETC Security, which in this example, would be 0.0999991944.</p> <p>Because each ETC Security is backed by an amount of Underlying Metal equal to its Metal Entitlement per ETC Security, this reduction in the Metal Entitlement per ETC Security (as in the above example where the Metal Entitlement per ETC Security has reduced from 1.0 to 0.0999991944) will reduce the amount of Underlying Metal that backs an ETC Security and,</p>

	<p>therefore, its value.</p> <p>Step 2. Once the Determination Agent has determined the Metal Entitlement per ETC Security for a Scheduled Valuation Day, it then has to determine the Value per ETC Security for that day.</p> <p>In the case of a non-FX Hedged ETC Security it does this by simply calculating how much the Metal Entitlement per ETC Security that backs that ETC Security is worth at prevailing prices for Gold.</p> <p>So if, on 16 June 2010, the price of Gold were U.S.\$1,234.50 per fine troy ounce the Value per ETC Security would be equal to the product of U.S.\$1,234.50 and the Metal Entitlement per ETC Security for that day. This produces a Value per ETC Security equal to U.S.\$123.45.</p> <p>Step 3: The Issuer publishes the Value per ETC Security for 16 June 2010 by no later than 16:00 London time on the next Scheduled Valuation Day. The Value per ETC Security will be published on www.etc.db.com (or a successor website).</p>
3	<p>On Thursday 17 June 2010 and Friday 18 June 2010, the Determination Agent will repeat the above process based on prevailing Gold prices on those days.</p> <p>On Thursday 17 June 2010, the daily product fee amount will be equal to the Metal Entitlement per ETC Security for 16 June 2010 multiplied by the total product fee percentage of 0.29% per annum, and then divided by 360.</p> <p>To determine the Metal Entitlement per ETC Security for 17 June 2010, this daily product fee amount is deducted from the Metal Entitlement per ETC Security for 16 June 2010. This produces a Metal Entitlement per ETC Security for 17 June 2010 equal to 0.0999983889. If the price of Gold per fine troy ounce on 17 June 2010 is U.S.\$1,245 then the Value per ETC Security will be U.S.\$124.50.</p> <p>On Friday 18 June 2010, the daily product fee amount will be equal to the Metal Entitlement per ETC Security for 17 June 2010 multiplied by the total product fee percentage of 0.29% per annum, and then divided by 360.</p> <p>To determine the Metal Entitlement per ETC Security for 18 June 2010, this daily product fee amount is deducted from the Metal Entitlement per ETC Security for 17 June 2010. This produces a Metal Entitlement per ETC Security for 18 June 2010 equal to 0.0999975834. If the price of Gold per fine troy ounce on 17 June 2010 is U.S.\$1,256 then the Value per ETC Security will be U.S.\$125.60.</p> <p>No Metal Entitlement per ETC Security nor Value per ETC Security is determined for Saturday 19 June 2010 or Sunday 20 June 2010, as calculations are not made for weekends, bank holidays and other non-business days.</p>
4	<p>The next day for which a Metal Entitlement per ETC Security and Value per ETC Security will be determined is Monday 21 June 2010. To determine the Metal Entitlement per ETC Security and the Value per ETC Security for this day, the Determination Agent will follow the same steps as above but also deducting daily fee amounts to reflect the non-business days:</p> <p>Step 1: The Determination Agent first calculates the Metal Entitlement per ETC Security for 21 June 2010. It does this by subtracting a fee amount (expressed in fine troy ounces) from the Metal Entitlement per ETC Security for Friday 18 June 2010 (i.e. the previous Scheduled Valuation Day).</p> <p>The product fee amount on this day needs to reflect the aggregate product fee charged in respect of the ETC Securities since the last Scheduled Valuation Day. To do this the Determination Agent needs to subtract the daily product fee amounts for Saturday 19 June 2010, Sunday 20 June 2010 and Monday 21 June 2010. Note that because the product fee is a daily fee, it will be charged for all calendar days, regardless of whether they are weekends, bank holidays or other non-business days.</p> <p>The Determination Agent, therefore, needs to subtract three days' worth of daily product fees.</p>

The daily product fee amount for each of those days will be equal to the Metal Entitlement per ETC Security for 18 June 2010 multiplied by the total product fee percentage of 0.29% per annum, and then divided by 360. This produces a daily product fee amount of 0.000008055. The aggregate daily product fee amount for Saturday 19 June 2010, Sunday 20 June 2010 and Monday 21 June 2010 will, therefore, be 0.0000024166.

To determine the Metal Entitlement per ETC Security for 21 June 2010, this aggregate daily fee amount is deducted from the Metal Entitlement per ETC Security for 18 June 2010. This produces a Metal Entitlement per ETC Security for 21 June 2010 equal to 0.0999967778. If the price of Gold per fine troy ounce on 21 June 2010 is U.S.\$1,254.50 then the Value per ETC Security will be U.S.\$125.44.

The table below is a summary of the worked examples set out above for the period 15 June 2010 to 21 June 2010.

Date	Metal Reference Price (i.e. USD per fine troy ounce of Gold) (1)	Product Fee (fine troy ounces) (2)	Metal Entitlement per ETC Security (3)	Value per ETC Security (4)
15-Jun-10	1225.00	—	0.1000000000	122.50
16-Jun-10	1234.50	0.000008056	0.0999991944	123.45
17-Jun-10	1245.00	0.000008055	0.0999983889	124.50
18-Jun-10	1256.00	0.000008055	0.0999975834	125.60
21-Jun-10	1254.50	0.000008055	0.0999967778	125.45

- (1) This is the Metal Reference Price for the relevant date.
- (2) This is the Product Fee for the relevant date and is equal to the Product Fee Percentage multiplied by the Metal Entitlement per ETC Security for the prior Scheduled Valuation Day.
- (3) This is the Metal Entitlement per ETC Security for the relevant date and is equal to the Metal Entitlement per ETC Security for the prior date minus the Product Fee for the relevant date.
- (4) This is the Value per ETC Security for the relevant date and is equal to the Metal Entitlement per ETC Security for that date multiplied by the Metal Reference Price for that date.

5 In the above worked examples the Metal Reference Price generally rose from its initial value on 15 June 2010 of U.S.\$1,225. In the below table, we set out an alternative illustration where a falling Metal Reference Price has been assumed, but otherwise using the same methodology and assumptions as in the above worked examples.

Date	Metal Reference Price (i.e. USD per fine troy ounce of Gold) (1)	Product Fee (fine troy ounces) (2)	Metal Entitlement per ETC Security (fine troy ounces) (3)	Value per ETC Security (4)
15-Jun-10	1225.00	—	0.1000000000	122.50
16-Jun-10	1220.00	0.000008056	0.0999991944	122.00
17-Jun-10	1219.50	0.000008055	0.0999983889	121.95
18-Jun-10	1218.50	0.000008055	0.0999975834	121.85
21-Jun-10	1215.00	0.000008055	0.0999967778	121.50

For footnotes to this table, please see equivalent footnotes for the table immediately above.

6	The Determination Agent will calculate the Metal Entitlement per ETC Security and Value per ETC Security in the same way for each Scheduled Valuation Day.
<p><i>Note that the numbers used in this worked example are for illustrative purposes only. The price of the Metal may go up or down and past performance should not be taken as an indication of future performance. The fee levels for any particular Series of ETC Securities may differ from the fee levels used in the worked example.</i></p>	

13 What are FX Hedged ETC Securities?

If a Series of ETC Securities is denominated in a currency other than the Metal Currency, the Metal Entitlement per ETC Security of such ETC Securities may include a currency hedging component to convert the value of the Metal denominated in the Metal Currency into the same currency as that in which the ETC Securities are denominated. For the purposes of the Conditions, such ETC Securities are “FX Hedged ETC Securities”. The formula for calculation of the Metal Entitlement per ETC Security of FX Hedged ETC Securities will reflect the effect of a rolling currency hedge generally entered into on each Scheduled Valuation Day. Such currency hedge typically involves the notional forward sale of the Metal Currency and purchase of the currency in which the ETC Securities are denominated and is designed to reduce the exposure of the Metal (and, therefore, the ETC Securities) to exchange rate fluctuations between such currencies. However, such hedges do not fully eliminate exchange rate risks or fluctuations and, depending on movements in exchange rates, such currency hedging might have a positive or negative impact on the Value per ETC Security.

The following worked example shows how the Metal Entitlement per ETC Security and the Value per ETC Security is calculated in respect of FX Hedged ETC Securities.

1	<p>On Tuesday 15 June 2010, a new Series of ETC Securities is issued for €99.68 each. The initial Value per ETC Security is set at €99.68 to match the issue price.</p> <p>The ETC Securities give a return linked to Gold.</p> <p>On 15 June 2010, the Metal Reference Price of Gold is U.S.\$1,225. The ETC Securities are FX Hedged ETC Securities and, as such, reflect a currency hedging component between euro (the currency of the ETC Securities) and U.S. dollars (the currency in which Gold prices are quoted).</p> <p>The initial Metal Entitlement per ETC Security is set at 0.1 fine troy ounce. Given the above Metal Reference Price, this means that the value in U.S. dollars of the initial Metal Entitlement per ETC Security is U.S.\$122.50.</p>
2	<p>To determine the Value per ETC Security for Wednesday 16 June 2010, the Determination Agent does the following:</p> <p>Step 1: It first needs to calculate the Metal Entitlement per ETC Security for 16 June 2010. To do this it starts by calculating the gain or loss on the currency hedge component since 15 June 2010.</p> <p>This gain or loss reflects the gain or loss that a person would have suffered if, on 15 June 2010, she had attempted to hedge her currency exposure by entering into a transaction where she agreed that on 16 June 2010 she would sell an amount of U.S. dollars equal to the U.S. dollar value of the initial Value per ETC Security on 15 June 2010 in return for a fixed euro amount.</p> <p>By entering into such a currency hedge transaction, she will be assured of receiving at least the fixed euro amount in exchange for her payment of U.S. dollars. However, by agreeing to receive such fixed euro amount regardless of what actually happens to exchange rates, this means that she forgoes any gains from improvements in the exchange rate. Depending on how exchange rates actually move, she will have made a gain or loss on the currency hedge as compared with the position she would have been in if she had not entered into the currency hedge.</p>

Accordingly, if, on 16 June 2010, prevailing exchange rates on that day were such that she could actually have sold such U.S. dollar amount for a higher euro amount than the amount she pre-agreed on 15 June 2010, the effect of the currency hedge transaction would be that she would be worse off than if she had not entered into the currency hedge transaction. Conversely, if, on 16 June 2010, prevailing exchange rates were such that she could only have sold such U.S. dollar amount for a lower euro amount, she would be better off than she would have been if she had not entered into the currency hedge transaction.

The way in which the Metal Entitlement per ETC Security is calculated for FX Hedged ETC Securities reflects the economic effects of such a currency hedge.

To calculate the amount of gain or loss of such currency hedge for the ETC Security, the Determination Agent needs to look at the forward foreign exchange rate that was available on 15 June 2010 for payments made on 16 June 2010 (known as the FX Forward Reference Level), as well as looking at the actual foreign exchange rates that were available on 15 June 2010 and 16 June 2010 (known as FX Spot Reference Levels).

In this example, we assume that: the forward foreign exchange rate on 15 June 2010 was U.S.\$1 to €0.813731; the actual foreign exchange rate on 15 June 2010 was U.S.\$1 to €0.813736 and the actual foreign exchange rate on 16 June 2010 was U.S.\$1 to €0.811820.

On 15 June 2010, the amount that needs to be sold forward is the U.S. dollar value of the initial Value per ETC Security on 15 June 2010. The Value per ETC Security in euro is €99.68. Using the above exchange rates, the U.S. dollar equivalent of that on 15 June 2010 is U.S.\$122.50.

On 15 June 2010, based on the prevailing forward foreign exchange rates on that date, a person could have sold U.S.\$122.50 on 16 June 2010 in return for €99.68. However, on 16 June 2010, based on the actual foreign exchange rates for sales on that date, a person would actually only have been able to sell U.S.\$122.50 in return for €99.45.

This means that, in this instance, the person would have benefitted from entering into a currency hedge. She would be €0.23 better off than without a currency hedge.

As the ETC Securities in this worked example are FX Hedged ETC Securities, the Determination Agent will adjust the Metal Entitlement per ETC Security to reflect this gain. To do this it needs to work out how many fine troy ounces of Gold the gain of €0.23 would buy. For purposes of this example, we assume that the Metal Reference Price (i.e. the price per fine troy ounce of Gold) on 16 June 2010 is U.S.\$1234.50. In U.S. dollar terms our gain of €0.23 is worth U.S.\$0.29 (at the prevailing actual exchange rate of U.S.\$1 to €0.811820). This will buy 0.0002335199 fine troy ounces of Gold.

The Determination Agent then adds such amount to the Metal Entitlement per ETC Security from the previous Scheduled Valuation Day. This gives an amount equal to 0.1002335199.

Step 2: After the Determination Agent has calculated the adjustment to the Metal Entitlement per ETC Security needed to reflect any currency hedging gain or loss it then needs to further adjust the Metal Entitlement per ETC Security to deduct fees.

It does this by subtracting a fee amount (expressed in fine troy ounces) from the adjusted Metal Entitlement per ETC Security .

The fee is called the Product Fee. The Product Fee in respect of ETC Securities may be made up of two components. These are:

- a Base Fee Percentage; and
- a FX Hedging Fee Percentage which reflects a fee for the provision of the foreign exchange element. However, this fee is only applicable to FX Hedged ETC Securities.

The level of these fees may vary from time to time (see “What fees do I pay?” below).

In this example, we will assume that on 16 June 2010 the base fee percentage is 0.29%. In this example, because the relevant ETC Securities are FX Hedged ETC Securities, there is also a foreign exchange hedging fee percentage of 0.30%. As a result, the total product fee percentage

	<p>used in this example is 0.59% per annum.</p> <p>To calculate the daily fee amount, the Determination Agent needs to multiply the Metal Entitlement per ETC Security (adjusted as described in Step 1 to reflect any currency hedge gain or loss) by the total product fee percentage. This gives an annualised amount. To make this a daily amount, the Determination Agent divides by 360.</p> <p>If we do this in our current example, the daily product fee amount (expressed in fine troy ounces) would be equal to 0.1002335199 fine troy ounce multiplied by the total product fee percentage of 0.59% per annum, and then divided by 360. This gives a daily product fee amount equal to 0.0000016427 fine troy ounces.</p> <p>The Determination Agent then needs to take that amount away from the adjusted Metal Entitlement per ETC Security.</p> <p>This produces a new Metal Entitlement per ETC Security of 0.1002318772.</p> <p>Each ETC Security is backed by an amount of Underlying Metal equal to its Metal Entitlement per ETC Security. Accordingly, if the Metal Entitlement per ETC Security reduces then this will reduce the amount of Underlying Metal that backs an ETC Security and, therefore, its value. In this example, the Metal Entitlement per ETC Security has actually gone up from 0.1000000000 on 15 June 2010 to 0.1002318772 on 16 June 2010. This is because the gain on the currency hedging component is greater than the fee deduction for that day. This will not always be the case and currency hedging losses and product fee deductions may lead to reductions in the Metal Entitlement per ETC Security.</p> <p>Step 3: Once the Determination Agent has determined the Metal Entitlement per ETC Security for a Scheduled Valuation Day, it then has to determine the Value per ETC Security for that day.</p> <p>In the case of a FX Hedged ETC Security it does this by calculating how much the Metal Entitlement per ETC Security that backs that ETC Security is worth at prevailing prices for Gold, converted into the currency of the ETC Securities at the prevailing actual foreign exchange rate.</p> <p>So if, on 16 June 2010, the price of Gold were U.S.\$1,234.50 per fine troy ounce the Value per ETC Security would be equal to the product of U.S.\$1,234.50, the Metal Entitlement per ETC Security for that day and the actual foreign exchange rate for that day (i.e. U.S.\$1 to €0.811820). This produces a Value per ETC Security equal to €100.45.</p> <p>Step 4: The Issuer publishes the Value per ETC Security for 16 June 2010 by no later than 16:00 London time on the next Scheduled Valuation Day. The Value per ETC Security will be published on www.etc.db.com (or a successor website).</p>
3	<p>On Thursday 17 June 2010 and Friday 18 June 2010, the Determination Agent will repeat the above process based on prevailing foreign exchange rates and Gold prices on those days.</p> <p>As described above, the Determination Agent first calculates the gain or loss from the currency hedge. For this example, we assume that the forward foreign exchange rate on 16 June 2010 was U.S.\$1 to €0.811804; that the actual foreign exchange rate on 16 June 2010 was U.S.\$1 to €0.811820 and that the actual foreign exchange rate on 17 June 2010 was U.S.\$1 to €0.806777.</p> <p>The Determination Agent needs to determine the gain or loss that a person would suffer if, on 16 June 2010, she had attempted to hedge her currency exposure by entering into a transaction where she agreed that on 17 June 2010 she would sell an amount of U.S. dollars equal to the U.S. dollar value of the Value per ETC Security on 16 June 2010 in return for a fixed euro amount.</p> <p>On 16 June 2010, the Value per ETC Security in euro is €100.45. Using the above exchange rates, the U.S. dollar equivalent of that on 16 June 2010 is U.S.\$123.74.</p> <p>On 16 June 2010, based on the prevailing forward foreign exchange rates on that date, a person could have sold U.S.\$123.74 on 17 June 2010 in return for €100.45. However, on 17 June 2010, based on the actual foreign exchange rates for sales on that date, a person would actually only have been able to sell U.S.\$123.74 in return for €99.83. This produces a currency hedge gain of</p>

€0.62.

The Determination Agent then adjusts the Metal Entitlement per ETC Security to reflect the currency hedge gain and it does this by converting the gain of €0.62 into fine troy ounces. For the purpose of this example, we assume that the Metal Reference Price on 17 June is U.S.\$1,245. In U.S. dollar terms the gain of €0.62 is worth U.S.\$0.77 (at the prevailing actual exchange rate of U.S.\$1 to €0.806777). This will buy 0.0006192371 fine troy ounces of Gold.

The Determination Agent then adds such amount to the Metal Entitlement per ETC Security from the previous Scheduled Valuation Day. This gives an adjusted Metal Entitlement per ETC Security equal to 0.1008511143.

On Thursday 17 June 2010, the daily fee amount will be equal to such adjusted Metal Entitlement per ETC Security multiplied by the total fee percentage of 0.59% per annum, and then divided by 360. This is an amount (in fine troy ounces) equal to 0.0000016528

To determine the Metal Entitlement per ETC Security for 17 June 2010, this daily fee amount is deducted from the adjusted Metal Entitlement per ETC Security. This produces a Metal Entitlement per ETC Security for 17 June 2010 equal to 0.1008494615. If the price of Gold per fine troy ounce on 17 June 2010 is U.S.\$1,245 then the Value per ETC Security would be equal to the product of U.S.\$1,245, the Metal Entitlement per ETC Security and the actual exchange rate for that day (U.S.\$1 to U.S.€0.806777). This produces a Value per ETC Security for Thursday 17 June 2010 equal to €101.30.

The Determination Agent then repeats exactly the same process for Friday 18 June 2010. It first calculates the gain or loss from the currency hedge. For this example, we assume that the forward foreign exchange rate on 17 June 2010 was U.S.\$1 to €0.806772; that the actual foreign exchange rate on 17 June 2010 was U.S.\$1 to €0.806777 and that the actual foreign exchange rate on 18 June 2010 was U.S.\$1 to €0.808865.

The Determination Agent needs to determine the gain or loss that a person would suffer if, on 17 June 2010, she had attempted to hedge her currency exposure by entering into a transaction where she agreed that on 18 June 2010 she would sell an amount of U.S. dollars equal to the U.S. dollar value of the Value per ETC Security on 17 June 2010 in return for a fixed euro amount.

On 17 June 2010, the Value per ETC Security in euro is €101.30. Using the above exchange rates, the U.S. dollar equivalent of that on 17 June 2010 is U.S.\$125.56.

On 17 June 2010, based on the prevailing forward foreign exchange rates on that date, a person could have sold U.S.\$125.56 on 18 June 2010 in return for €101.30. However, on 18 June 2010, based on the actual foreign exchange rates for sales on that date, a person would actually have been able to sell U.S.\$125.56 in return for €101.56. This produces a currency hedge loss of €0.26.

The Determination Agent then adjusts the Metal Entitlement per ETC Security to reflect the currency hedge loss and it does this by converting the loss of €0.26 into fine troy ounces. For the purpose of this example, we assume that the Metal Reference Price on 18 June is U.S.\$1,256. In U.S. dollar terms the loss of €0.26 is worth U.S.\$0.32 (at the prevailing actual exchange rate of U.S.\$1 to €0.808865). This will buy 0.0002586445 fine troy ounces of Gold.

The Determination Agent then subtracts such amount from the Metal Entitlement per ETC Security from the previous Scheduled Valuation Day. This gives an adjusted Metal Entitlement per ETC Security equal to 0.1005908170. On Friday 18 June 2010, the daily product fee amount will be equal to such adjusted Metal Entitlement per ETC Security multiplied by the total product fee percentage of 0.59% per annum, and then divided by 360. This is an amount (in fine troy ounces) equal to 0.0000016486.

To determine the Metal Entitlement per ETC Security for 18 June 2010, this daily product fee amount is deducted from the adjusted Metal Entitlement per ETC Security. This produces a Metal

	<p>Entitlement per ETC Security for 18 June 2010 equal to 0.1005891684. If the price of Gold per fine troy ounce on 17 June 2010 is U.S.\$1,256 then the Value per ETC Security would be equal to the product of U.S.\$1,256, the Metal Entitlement per ETC Security and the actual exchange rate for that day (U.S.\$1 to €0.808865). This produces a Value per ETC Security for Friday 18 June 2010 equal to €102.19.</p> <p>No Metal Entitlement per ETC Security nor Value per ETC Security is determined for Saturday 19 June 2010 or Sunday 20 June 2010, as calculations are not made for weekends, bank holidays and other non-business days.</p>
4	<p>The next day for which a Metal Entitlement per ETC Security and Value per ETC Security will be determined is Monday 21 June 2010. To determine the Metal Entitlement per ETC Security and the Value per ETC Security for this day, the Determination Agent will follow the same steps as above but also deducting daily product fee amounts to reflect the non-business days:</p> <p>Step 1: The Determination Agent first calculates the Metal Entitlement per ETC Security for 21 June 2010.</p> <p>As described above, the Determination Agent first calculates the gain or loss from the currency hedge. For this example, we assume that the forward foreign exchange rate on 18 June 2010 was U.S.\$1 to €0.808862; that the actual foreign exchange rate on 18 June 2010 was U.S.\$1 to €0.808865 and that the actual foreign exchange rate on 21 June 2010 was U.S.\$1 to €0.807103.</p> <p>The Determination Agent needs to determine the gain or loss that a person would suffer if, on 18 June 2010, she had attempted to hedge her currency exposure by entering into a transaction where she agreed that on Monday 21 June 2010 (i.e. the next Scheduled Valuation Day) she would sell an amount of U.S. dollars equal to the U.S. dollar value of the Value per ETC Security on 18 June 2010 in return for a fixed euro amount.</p> <p>On 18 June 2010, the Value per ETC Security in euro is €102.19. Using the above exchange rates, the U.S. dollar equivalent of that on 18 June 2010 is U.S.\$126.34.</p> <p>On 18 June 2010, based on the prevailing forward foreign exchange rates on that date, a person could have sold U.S.\$126.34 on 21 June 2010 in return for €102.19. However, on 21 June 2010, based on the actual foreign exchange rates for sales on that date, a person would actually only have been able to sell U.S.\$126.34 in return for €101.97. This produces a currency hedge gain of €0.22.</p> <p>The Determination Agent then adjusts the Metal Entitlement per ETC Security to reflect the currency hedge gain and it does this by converting the gain of €0.22 into fine troy ounces. For the purpose of this example, we assume that the Metal Reference Price on 18 June is U.S.\$1,254.50. In U.S. dollar terms the gain of €0.22 is worth U.S.\$0.28 (at the prevailing actual exchange rate of U.S.\$1 to €0.807103). This will buy 0.0002195348 fine troy ounces of Gold.</p> <p>The Determination Agent then adds such amount to the Metal Entitlement per ETC Security from the previous Scheduled Valuation Day. This gives an adjusted Metal Entitlement per ETC Security equal to 0.1008087032. The Determination Agent then needs to further adjust this Metal Entitlement per ETC Security to deduct the daily product fee amount. .</p> <p>The fee amount deducted needs to reflect the aggregate product fee charged in respect of the ETC Securities since the last Scheduled Valuation Day. To do this the Determination Agent needs to subtract the daily product fee amounts for Saturday 19 June 2010, Sunday 20 June 2010 and Monday 21 June 2010. Note that because the fee is a daily fee, it will be charged for all calendar days, regardless of whether they are weekends, bank holidays or other non-business days.</p> <p>The Determination Agent, therefore, needs to subtract three days' worth of daily product fees. The daily product fee amount for each of those days will be equal to the adjusted Metal Entitlement per ETC Security calculated above (i.e. 0.1008087032) multiplied by the total fee percentage of 0.59% per annum, and then divided by 360. This produces a daily fee amount of</p>

0.0000016521. The aggregate daily product fee amount for Saturday 19 June 2010, Sunday 20 June 2010 and Monday 21 June 2010 will, therefore, be 0.0000049564.

To determine the Metal Entitlement per ETC Security for 21 June 2010, this aggregate daily product fee amount is deducted from the adjusted Metal Entitlement per ETC Security. This produces a Metal Entitlement per ETC Security for 21 June 2010 equal to 0.1008037467. If the price of Gold per fine troy ounce on 21 June 2010 is U.S.\$1,254.50 then the Value per ETC Security would be equal to the product of U.S.\$1,254.50, the Metal Entitlement per ETC Security and the actual exchange rate for that day (U.S.\$1 to €0.807103). This produces a Value per ETC Security for Monday 21 June 2010 equal to €102.06.

The table below is a summary of the worked examples set out above for the period 15 June 2010 to 21 June 2010.

Date	Metal Reference Price (i.e. USD per fine troy ounce of Gold) (1)	FX Gain / (Loss) (fine troy ounces) (2)	Product Fee (fine troy ounces) (3)	Metal Entitlement per ETC Security (fine troy ounces) (4)	U.S. dollar value of Metal Entitlement per ETC Security (U.S.\$) (5)	Exchange Rate (number of euro per U.S.\$1) (6)	Value per ETC Security (7)
15-Jun-10	1225.00	—	—	0.1000000000	122.50	0.813736	99.68
16-Jun-10	1234.50	0.0002335199	0.0000016528	0.1002318772	123.74	0.811820	100.45
17-Jun-10	1245.00	0.0006192371	0.0000016486	0.1008494615	125.56	0.806777	101.30
18-Jun-10	1256.00	0.0002586445	0.0000049564	0.1005891684	126.34	0.808865	102.19
21-Jun-10	1254.50	0.0002195348	0.0000016385	0.1008037467	126.46	0.807103	102.06

- (1) This is the Metal Reference Price for the relevant date.
- (2) This is the foreign exchange gain or loss for the relevant date, calculated as described in the above worked example, and expressed in fine troy ounces.
- (3) This is the Product Fee for the relevant date (expressed in fine troy ounces) and is equal to the sum of the Base Fee Percentage and the FX Hedging Fee Percentage multiplied by the Metal Entitlement per ETC Security for the prior Scheduled Valuation Day.
- (4) This is the Metal Entitlement per ETC Security for the relevant date and is equal to the Metal Entitlement per ETC Security for the prior date, plus or minus the foreign exchange gain or loss for the relevant date and then minus the Product Fee for the relevant date
- (5) This is the U.S. dollar value of the Metal Entitlement per ETC Security for that date multiplied by the Metal Reference Price for that date.
- (6) This is the actual exchange rate for an exchange of euro for U.S. dollars on the relevant date (expressed as the number of euro that can be purchased for U.S.\$1).
- (7) This is the Value per ETC Security for the relevant date (in euro) and is equal to the Metal Entitlement per ETC Security for that date multiplied by the Metal Reference Price for that date and then multiplied by the actual exchange rate for that date.

In the above worked examples the Metal Reference Price generally rose from its initial value on 15 June 2010 of U.S.\$1,225. In the below table, we set out an alternative illustration where a falling Metal Reference Price has been assumed, but otherwise using the same methodology and assumptions as in the above worked examples.

Date	Metal Reference Price (i.e. USD per fine troy ounce of Gold) (1)	FX Gain / (Loss) (fine troy ounces) (2)	Product Fee (fine troy ounces) (3)	Metal Entitlement per ETC Security (fine troy ounces) (4)	U.S. dollar value of Metal Entitlement per ETC Security (U.S.\$) (5)	Exchange Rate (number of euro per U.S.\$) (6)	Value per ETC Security (7)
15-Jun-10	1225.00	—	—	0.1000000000	122.50	0.813736	99.68
16-Jun-10	1220.00	0.0002335199	0.0000016528	0.1002318772	122.28	0.811820	99.27
17-Jun-10	1219.50	0.0006192371	0.0000016486	0.1008494615	122.99	0.806777	99.22
18-Jun-10	1218.50	0.0002586445	0.0000049564	0.1005891684	122.57	0.808865	99.14
21-Jun-10	1215.00	0.0002195348	0.0000016385	0.1008037467	122.48	0.807103	98.85

For footnotes to this table, please see equivalent footnotes for the table immediately above.

5 The Determination Agent will calculate the Metal Entitlement per ETC Security and Value per ETC Security in the same way for each following Scheduled Valuation Day.

Note that the numbers used in this worked example are for illustrative purposes only. The price of the Metal, and foreign exchange rates, may go up or down and past performance should not be taken as an indication of future performance. The fee levels for any particular Series of ETC Securities may differ from the fee levels used in the worked example.

14 How do I obtain a return from investing in ETC Securities?

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

On the Scheduled Maturity Date, each ETC Security will become due and payable at the greater of (i) the Final Metal Redemption Amount and (ii) 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (i.e. the Minimum Debt Amount). If the Final Metal Redemption Amount falls below the Minimum Debt Amount, then due to the limited recourse nature of the ETC Securities, Securityholders are unlikely to receive payments of the Final Redemption Amount in full and may receive zero.

The Final Metal Redemption Amount is an amount determined by reference to the Metal Entitlement per ETC Security. However, for this purpose the Final Metal Redemption Amount is calculated in a slightly different way than the Value per ETC Security, instead using a price determined as the average sale price of the Underlying Metal held in respect of the Series of ETC Securities sold during the Final Redemption Disposal Period by the Metal Agent, net of associated deductions and taxes. To the extent that the amount of Metal sold during the Final Redemption Disposal Period is lower than the Aggregate Final Metal Entitlement, for the purposes of determining the Final Metal Redemption Amount, such shortfall is deemed to have been sold at the last available Metal Reference Price as at the last day of the Final Redemption Disposal Period.

The Final Redemption Disposal Period is the period from (and including) the date falling four Scheduled Valuation Days after the Final Redemption Valuation Date (which is the day falling 45 calendar days prior to the Scheduled Maturity Date) to (but excluding) the date falling five Business Days prior to the Scheduled Maturity Date.

The Issuer will fund payment of any Final Redemption Amount or Early Redemption Amount per ETC Security, as applicable, under the ETC Securities from the proceeds of the sale of the Underlying Metal held by or on behalf of the Issuer in respect of the ETC Securities. Its ability to make the payments due under the Conditions on their final redemption or early redemption, as applicable, is dependent on its receipt of any outstanding amounts of Metal that are to be delivered to it by the Programme Counterparty

under the Balancing Agreement as at the Final Redemption Valuation Date or Early Redemption Valuation Date (as applicable) and on its receipt of the proceeds of the disposal of the Underlying Metal from the Metal Agent.

Accordingly, the Issuer and the Securityholders are exposed to the creditworthiness of the Metal Agent and to the Programme Counterparty (to the extent there is any amount deliverable by the Programme Counterparty under the Balancing Agreement as at the Final Redemption Valuation Date or Early Redemption Valuation Date (as applicable)). If the Metal Agent does not pay in full the amount payable under the Metal Agent Agreement when due in connection with the redemption of the ETC Securities the Security under the ETC Securities may become enforceable. However, if, following realisation in full of the Secured Property relating to the ETC Securities (whether by way of liquidation or enforcement) and application of available cash sums as provided in Condition 6, there are any outstanding claims against the Issuer in respect of such ETC Securities which remain unpaid, then such outstanding claim will be extinguished and no debt will be owed by the Issuer in respect thereof. In such circumstances investors in the ETC Securities may not receive back their investment and may receive zero.

15 *How do I buy and sell ETC Securities?*

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

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

16 *What fees do I pay?*

There is a product fee that applies to a Series of ETC Securities which is potentially made up of two parts. These are:

- a Base Fee Percentage; and
- if the ETC Securities are FX Hedged ETC Securities, a FX Hedging Fee Percentage.

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

The Base Fee Percentage and the Maximum Base Fee Percentage will be specified in the Final Terms for a Series of ETC Securities. The Base Fee Percentage varies from Series to Series, but typically is 0.29% per annum for Series relating to Gold, 0.45% per annum for Series relating to Silver, Platinum or Palladium and 0.95% per annum for Series relating to Rhodium. A lower fee than the Maximum Base Fee Percentage may be charged at the discretion of the Programme Counterparty. The current Base Fee Percentage and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). Securityholders will be given not less than 30 calendar days' prior notice in accordance with the Conditions of any change to the Base Fee Percentage. Generally, the Base Fee Percentage cannot be increased above 1.5% per annum. See Question 12 (“What is the Value per ETC Security?”) above for worked examples including the calculation of fees.

The FX Hedging Fee Percentage and the Maximum FX Hedging Fee Percentage will be specified in the Final Terms for a Series of ETC Securities. A lower fee than the Maximum FX Hedging Fee Percentage may be charged at the discretion of the Programme Counterparty. The current FX Hedging Fee Percentage and any proposed change to the percentage shall be published on www.etc.db.com (or its successor). Securityholders will be given not less than 30 calendar days' prior notice in accordance with

the Conditions of any change to the FX Hedging Fee Percentage. See Question 13 “What are FX Hedged ETC Securities?” above for worked examples including the calculation of fees.

The fees are charged on a daily basis on the aggregate Metal Entitlement per ETC Security and will be settled on a periodic basis, usually monthly, by the Issuer transferring Metal to the Programme Counterparty or *vice versa*, as set out in the Balancing Agreement (see further “What is the Balancing Agreement” below).

17 What is the Balancing Agreement?

The Balancing Agreement is an agreement between the Issuer and the Programme Counterparty, in respect of each Series of ETC Securities, which provides for the settlement on a periodic basis of the Product Fee and, in respect of FX Hedged ETC Securities, the gains or losses in the currency hedging component of such FX Hedged ETC Securities based on the accrued level of the Product Fee and foreign exchange gains or losses as at periodic Observation Dates.

The Observation Dates in respect of a Series of ETC Securities will be specified in the Final Terms for that Series but are expected to occur on a monthly basis. Settlement will take place in respect of an Observation Date by the Issuer transferring Metal to the Programme Counterparty or *vice versa*, in each case as provided in the Balancing Agreement entered into between the Issuer and the Programme Counterparty. In respect of each Observation Date, the Balancing Agreement seeks to account for the Product Fee and any currency hedging gains or losses by requiring deliveries of unallocated metal to be made between the Issuer and the Programme Counterparty so that, as a result of such deliveries, the amount of Underlying Metal should equal the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of the relevant Series.

However, as a result of such settlement only taking place on a periodic basis this means that the Issuer might at times hold an amount of allocated Underlying Metal that is more or less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series.

In addition, it should be noted that the deliveries required under the Balancing Agreement are not adjusted to reflect subscriptions and buy-backs of ETC Securities that are pending but have not settled at the relevant Observation Date. Such subscriptions and buy-backs would only be taken into account on the next following Observation Date. As a result, this might also cause the amount of Underlying Metal held by the Issuer to be more or less than the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series.

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

With respect to each Series of ETC Securities, the Issuer’s main assets are its holdings of Underlying Metal held by or on behalf of the Issuer (through the Secured Account Custodian, the Subscription Account Custodian and/or Sub-Custodians) and its rights and interests under the related Custody Agreement and Balancing Agreement. The obligations of the Issuer under the ETC Securities of a Series will be secured in favour of the Trustee pursuant to an English law governed Security Deed which grants security over the Issuer’s rights in respect of the transaction documents relating to that Series (including the Custody Agreement and Balancing Agreement), any cash held by the Issuer in respect of that Series. The property over which such security is created in respect of a Series is known as the Secured Property.

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

owing to certain Transaction Parties will be paid before claims of holders of ETC Securities. If there is no Secured Property left after paying them, holders of ETC Securities will not be paid.

19 *Can my ETC Securities redeem before the Scheduled Maturity Date?*

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

- if the Issuer exercises its call option
- if the Programme Counterparty exercises its right to terminate the Balancing Agreement
- upon the occurrence of an Event of Default or other Early Redemption Event.

Where the ETC Securities redeem early the Early Redemption Amount per ETC Security will be calculated in the same manner as the calculation of the Final Redemption Amount described in “How do I obtain a return from investing in ETC Securities?” i.e. using a price determined as the average sale price of the Underlying Metal held in respect of the Series of ETC Securities sold during the Early Redemption Disposal Period by the Metal Agent.

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

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

21 *When can the Programme Counterparty elect to terminate the Balancing Agreement?*

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

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

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

- certain legal or regulatory changes occur in relation to the Issuer and the Issuer gives a notice of redemption;
- the Balancing Agreement is terminated in connection with a Balancing Agreement Event of Default or a Balancing Agreement Termination Event. See Condition 8(d)(ii) for a description of the circumstances in which the Balancing Agreement may be terminated;
- the Determination Agent, the Issuing and Paying Agent, the Secured Account Custodian, the Subscription Account Custodian, the Registrar (in the case of ETC Securities in registered form), the Lead Authorised Participant and/or all the Authorised Participants, as applicable, resign or their appointment is terminated for any reason and the Issuer gives notice that no successor or replacement has been appointed within 60 calendar days of the date of the relevant notice of resignation or termination or the date of any automatic termination, as applicable;

- the Metal Entitlement per ETC Security or the Value per ETC Security for such Series is not published for 14 consecutive Non-Disrupted Scheduled Valuation Days and the Trustee gives the relevant notice as directed by the requisite number of Securityholders;
- the Value per ETC Security is less than or equal to 20 per cent. of the Issue Price as at the Series Issue Date for two consecutive Non-Disrupted Scheduled Valuation Days and the Determination Agent gives the relevant Notice;
- the Issuer will, or there is a substantial likelihood that it will, be required to make a payment in respect of VAT or be required to account for VAT in respect of a delivery of Metal from or to an Authorised Participant (whether or not such VAT is recoverable);
- a Securityholder does not, upon request, receive a firm bid price from an Authorised Participant for five consecutive Non-Disrupted Scheduled Valuation Days and, following the requisite notices being given, such Securityholder does not receive a firm bid price for the relevant ETC Securities during a further 20 consecutive Non-Disrupted Scheduled Valuation Day period and the Issuer gives the relevant Notice;
- a Balancing Agreement Event of Default occurs and is continuing with respect to the Programme Counterparty and the Trustee is directed by the requisite number of Securityholders to give the relevant Notice;
- the Issuer becomes entitled to serve a VAT Redemption Event Notice or a termination notice under the Balancing Agreement following a Balancing Agreement Tax Event or a Balancing Agreement Illegality and the Trustee gives the relevant Notice as directed by the requisite number of Securityholders; or
- an Event of Default occurs under the ETC Securities and the Trustee gives the relevant notice.

23 What are Disruption Events and why do they matter?

If the Programme Counterparty and/or the Determination Agent gives a Disruption Event Notice in respect of a Business Day, then the Metal Entitlement per ETC Security and the Value per ETC Security in respect of such Scheduled Valuation Day will not be published.

If the Disruption Event has occurred or exists with respect to the Early Redemption Valuation Date or the Final Redemption Value Date, such date may be postponed for up to 10 Business Days (after which, if no Scheduled Valuation Day has occurred, the Programme Counterparty may determine the Metal Entitlement per ETC Security as at the Early Redemption Valuation Date or the Final Redemption Valuation Date (as applicable)). Investors should be aware that any of the components which comprise the Metal Entitlement per ETC Security and Value per ETC Security calculation will be determined by the Programme Counterparty and the value of such components may differ from the official values (if any) determined and published by the relevant pricing source in respect of such Redemption Valuation Date or Final Redemption Valuation Date.

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

- (i) the Metal Price Source fails to calculate and announce the Metal Reference Price;
- (ii) the material suspension of, or material limitation imposed on, trading in the Metal;
- (iii) the relevant market, exchange or trading facility in respect of the Metal is closed for any reason;
- (iv) the permanent discontinuation of trading in the Metal; the disappearance of, or of trading in, the Metal; or the disappearance or permanent discontinuance or unavailability of the Metal Reference Price; and/or

- (v) an event in connection with which the Issuer, the Programme Counterparty or any of its Affiliates is (or would be) unable to hold, acquire or dispose of Metal.

In addition, for FX Hedged ETC Securities, a Disruption Event Notice may be given in connection with the following events:

- (a) the FX Forward Reference Level Source fails to calculate and announce the FX Forward Reference Level;
- (b) the FX Spot Reference Level Source fails to calculate and announce the FX Spot Reference Level;
- (c) the material suspension, limitation, illiquidity or disruption of trading in foreign exchange contracts between the Specified Currency and the Metal Currency;
- (d) it becomes impossible or impracticable to convert the Specified Currency into the Metal Currency or *vice versa*; and/or
- (e) an event in connection with which the Programme Counterparty or any of its Affiliates is (or would be) unable to hold, acquire or dispose of foreign exchange forward contracts between the Specified Currency and the Metal Currency or *vice versa*.

The Determination Agent may give Disruption Event Notices in respect of the events listed in paragraphs (i) and (a) above and the Programme Counterparty may give Disruption Event Notices in respect of the events listed in paragraphs (ii) to (v) and (b) to (e) above. If the Programme Counterparty or the Determination Agent determines that a Disruption Event has occurred or exists with respect to the Early Redemption Valuation Date or the Final Redemption Valuation Date, such date may be postponed for up to 10 Business Days (after which, if no Scheduled Valuation Day has occurred, the Programme Counterparty may determine the Metal Entitlement per ETC Security as at the Early Redemption Valuation Date or the Final Redemption Valuation Date (as applicable)).

The determination of the occurrence or existence of a Disruption Event by the Programme Counterparty or the Determination Agent may also result in the extension of a Redemption Disposal Period and will result in the postponement of the acceptance of Subscription Orders and Buy-Back Orders. The occurrence of 10 consecutive Disrupted Days may also lead to the early redemption of the ETC Securities.

In respect of FX Hedged ETC Securities, the Metal Entitlement per ETC Security on the first Scheduled Valuation Day following the determination of the occurrence or existence of a Disruption Event may also be calculated in accordance with an adjusted method in accordance with Condition 9(e).

Therefore, Securityholders should be aware that the delivery of a Disruption Event Notice by the Programme Counterparty or the Determination Agent may have an adverse effect on the quantum and on the timing of the calculation and publication of the Metal Entitlement per ETC Security and the Value per ETC Security of the ETC Securities and may result in the early redemption of the ETC Securities.

24 When might the Value per ETC Security not be published?

A Metal Entitlement per ETC Security and Value per ETC Security in respect of a Scheduled Valuation Day may not be published or the publication thereof may be delayed if the Programme Counterparty or Determination Agent determines that a Disruption Event occurs or exists in respect of a Scheduled Valuation Day and the relevant Series of ETC Securities and the Programme Counterparty or Determination Agent (as applicable) notifies the Issuer of its determination.

If the Programme Counterparty or the Determination Agent determines that a Disruption Event has occurred or exists with respect to the Early Redemption Valuation Date or the Final Redemption Valuation Date, such date may be postponed for up to 10 Business Days (after which, if no Scheduled

Valuation Day has occurred, the Programme Counterparty may determine the Metal Entitlement per ETC Security as at the Early Redemption Valuation Date or the Final Redemption Valuation Date (as applicable)).

The determination of the occurrence or existence of a Disruption Event by the Programme Counterparty or the Determination Agent may also result in the extension of a Redemption Disposal Period and will result in the postponement of the acceptance of Subscription Orders and Buy-Back Orders. The occurrence of 10 consecutive Disrupted Days may also lead to the early redemption of the ETC Securities.

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

All of your investment is at risk if the relevant precious Metal performs poorly.

26 *Who is the “holder” of ETC Securities?*

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

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

Securityholders’ rights include the right to any payments or deliveries payable to holders of ETC Securities in accordance with the Conditions. Securityholders may also have the right to make certain determinations or decisions (which may sometimes be required to be by a resolution of Securityholders or which may simply require a direction in writing by a specified percentage of Securityholders) and the Issuer may only take certain actions with respect to the ETC Securities if approved by Securityholders. Securityholders should note that, notwithstanding they may be owed payments under the ETC Securities, their rights of direct action against the Issuer are limited as the right to take such action is generally instead vested in the Trustee (see Question 30 below).

28 *What are the requirements for exercising Securityholders’ rights in respect of the ETC Securities?*

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

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

If the ETC Securities are held through a clearing system then, as rights under the ETC Securities can only be exercised by the legal Securityholders (see Question 26 above), you must contact the custodian,

broker or other entity through which you hold your interest in the ETC Securities if you wish for any vote to be cast or direction to be given on your behalf.

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

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

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

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

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

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

You should note that, if the Issuer or any agent is required by applicable law to apply any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature, it will account to the relevant authorities for the amount so required to be withheld or deducted and only pay the net amount after application of such withholding or deduction. None of the Issuer nor any agent will be obliged to make any additional payments to you in respect of such withholding or deduction.

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

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

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

34 *Are ETC Securities contracts for differences?*

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

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

The price (if any) provided by an Authorised Participant for the purchase or sale of ETC Securities in the secondary market (whether in an on-exchange or off-exchange transaction) will be determined at the absolute discretion of that Authorised Participant by reference to such factors as it sees fit. An Authorised Participant may maintain such bid/offer spread as it determines in its absolute discretion. The bid/offer spread is the difference between the bid price (i.e. the price at which a holder can sell ETC Securities to

the Authorised Participant) and the offer price (i.e. the price at which a holder can buy ETC Securities from the Authorised Participant). Any price provided by an Authorised Participant or other secondary market price may take into account fees, charges, duties, taxes, commissions and/or other factors. Any price given by an Authorised Participant will be quoted as of a particular date and time and will not therefore reflect any subsequent changes in the market price of the ETC Securities and/or any other factors relevant to the determination of the price.

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

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

37 *Would an investment in ETC Securities satisfy diversification requirements under the UCITS Directive?*

Each series of ETC Securities is linked to a single Metal. Prospective investors who are subject to the requirements of the UCITS Directive need to satisfy themselves that any purchase of ETC Securities conforms to the eligibility criteria required in accordance with the UCITS Directive.

38 *Do holders of ETC Securities own the Underlying Metal?*

Investing in the ETC Securities will not make an investor the owner of the Underlying Metal. Any amounts payable on the ETC Securities will be made in cash and the holders of the ETC Securities will have no right to receive delivery of any Underlying Metal at any time.

39 *When might VAT be chargeable on transfers of the Underlying Metal?*

If VAT were to be due on transfers of Metal to or by the Issuer (on a subscription, buy-back, redemption or on a transfer under the relevant Balancing Agreement), there may be an obligation to register and account for any VAT due in respect of transfers of Metal. If the Issuer is required to make payments in respect of VAT or required to account for VAT in respect of transfers of Metal, this in turn may adversely affect the Issuer’s ability to meet its obligations under the ETC Securities in full.

In respect of ETC Securities where the relevant Metal is investment gold (as defined for VAT purposes), the Issuer will not be required to charge UK VAT on any transfers by it of investment gold and may accept delivery of investment gold without attracting a VAT liability.

In respect of ETC Securities where the relevant Metal is gold (other than investment gold) or is silver, on the basis of the “black box” agreement that HM Revenue & Customs (“**HMRC**”) have entered into with the LBMA transfers of gold (other than investment gold) or silver by and to the Issuer will be treated as zero rated supplies for UK VAT purposes, provided that the gold (other than investment gold) or silver remains in the control of an LBMA member firm.

In the case of platinum and palladium, the LPPM has agreed a similar agreement with HMRC that the terms of the LBMA black box agreement can be applied to dealings in platinum and palladium and that transfers to or from an LPPM member firm can be treated as zero rated supplies, provided that the platinum or palladium does not leave the control of the LPPM member firm.

The LBMA and LPPM agreements referred in the previous paragraphs do not extend to minor precious metals, such as rhodium, and therefore the VAT rules outlined above do not apply and therefore normal VAT rules governing the supply of services and goods need to be applied. In the case of rhodium, the Issuer may be required to charge UK VAT in respect of any transfer of allocated rhodium which is

physically delivered in the UK. Equally UK VAT may be charged on any rhodium that the Authorised Participant delivers into the account of the Issuer if at the time of delivery the metal is physically located in the UK.

The Secured Account Custodian and the Subscription Account Custodian is Deutsche Bank AG, a member firm of the LPPM and LBMA and the Custody Agreement for Secured Accounts provides that any Sub-Custodian must be a member of the Relevant Association (where applicable). In addition, (i) each Authorised Participant represents under the relevant Authorised Participant Agreement that it is a member of the Relevant Association (where applicable) and that (provided that, where applicable, the Secured Account Custodian, the Subscription Account Custodian and any Sub-Custodian are members of the Relevant Association) the relevant Metal will not cease to be held in the vault of a member of the Relevant Association as a result of transfers between the Issuer and the Authorised Participant and (ii) the Programme Counterparty represents under the relevant Balancing Agreement that it is a member of the Relevant Association and that (provided that, where applicable, the Secured Account Custodian and any Sub-Custodian are members of the Relevant Association) the relevant Metal will not cease to be held in the vault of a member of the Relevant Association as a result of transfers between the Issuer and the Programme Counterparty. Any transfers of Metal required in relation to the ETC Securities should therefore not result in Metal leaving the vault of a member of the Relevant Association, prior to the occurrence of an Early Redemption Valuation Date or the Final Redemption Valuation Date.

Following the occurrence of an Early Redemption Valuation Date or the Final Redemption Valuation Date, provided that the Metal Agent sells the Underlying Metal to a member of the Relevant Association, the Metal should not leave the control of a member of the Relevant Association.

Provided that there is no change in law or in HMRC practice, the Issuer may be required to register for UK VAT and will be obliged to account for any VAT on sales of any physical rhodium. However any VAT payable on the transfer of rhodium into the Issuer's account should be recoverable in full.

The Issuer may appoint a tax representative to manage its VAT compliance requirements and therefore an additional cost to the programme will be reflected in determining the investment returns.

DESCRIPTION OF THE METAL

PROSPECTIVE PURCHASERS OF ETC SECURITIES ARE ADVISED TO CONDUCT THEIR OWN INDEPENDENT INVESTIGATION OF ANY PRECIOUS METAL FORMING PART OF THE SECURED PROPERTY FOR THE RELEVANT SERIES OF ETC SECURITIES OR CONSULT WITH THEIR RELEVANT ADVISORS AS TO THE PROSPECTS AND CONSEQUENCES OF A PURCHASE OF ETC SECURITIES LINKED TO A PARTICULAR PRECIOUS METAL.

The Issuer will, as subscription proceeds for the issue of ETC Securities, receive the relevant Metal from the Authorised Participants subscribing for such ETC Securities, which will form part of the Secured Property for such Series of ETC Securities. A custodian appointed to act on behalf of the Issuer will store the Metal in both allocated and unallocated accounts, subject to the Conditions of the ETC Securities and the Custody Agreement for Secured Accounts. The custodian may hold allocated Metal via a sub-custodian.

GOLD

The information provided below does not purport to be a complete summary of information relating to gold or current practices involved in the trading, storage and clearing of gold. The summary below gives relevant details about the market for gold in London.

General Market Information

Users of the London Gold Markets

The main market for gold relating to ETC Securities to be issued by the Issuer is the LBMA. Clients served by the LBMA include:

- (i) Primary producers of bullion wishing to refine or market their product.
- (ii) Fabricators, including the global jewellery industry.
- (iii) Central banks and other long-term holders of gold seeking to actively manage their gold holdings.
- (iv) Investors, fund managers or speculators.

Trading in bullion consists of transactions in spot, forwards, options and other derivatives on an over-the-counter (“**OTC**”) market. The OTC market trades on a 24 hour per day continuous basis and accounts for most of the trading in bullion. Members of the London metals market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transactions between members tend to be in standard dealing amounts, however when members deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

London Bullion Market Association

The LBMA is the London-based trade association that represents the wholesale gold and silver bullion market in London. London is the focus of the international OTC market for gold and silver, with a client base that includes the majority of the central banks that hold gold, plus producers, refiners, fabricators and other traders throughout the world. The LBMA was formally incorporated in 1987.

Members of the London bullion market typically trade with each other and with their clients on a principal-to-principal basis, which means that all risks, including those of credit, are between the two counterparties to a transaction, as opposed to an exchange traded environment. The London bullion market is a wholesale market, where minimum traded amounts for clients are generally 1,000 ounces of gold and 50,000 ounces of silver.

As of the date of this Base Prospectus, further information on the LBMA can be found on www.lbma.org.uk.

Good Delivery

The LBMA “Good Delivery List” is now widely recognised as representing the *de facto* standard for the quality of gold and silver bars due to the stringent criteria for assaying standards and bar quality that an applicant must satisfy in order to be listed.

Trading Units

- (i) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507465 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = $((1/32.1507465) \times 1,000) = 31.1034768$ grams.

For gold, this is one fine troy ounce. The unit represents pure gold irrespective of the purity of a particular bar. Generally, in relation to gold, all references to ounces mean fine troy ounces.

- (ii) **Fineness:** A measure of the proportion of gold in a bullion bar. It therefore defines the purity of a gold bar.
- (iii) **Assaying:** The process by which fineness is determined. The fineness of gold jewellery is usually expressed in carats (parts of fine gold per 24). Eighteen-carat jewellery is therefore 750 fine in bullion market terms.

Loco London

Loco London is a central concept for the London bullion market as it represents the basis for international trading and settlement in bullion. Most global over-the-counter bullion trading is cleared through the London bullion market clearing system, with deals between parties throughout the world settled and cleared in London.

London Bullion Clearing

London Bullion Clearing is central to the loco London system. It is a daily clearing system of paper transfers whereby LBMA members offering clearing services utilise the unallocated gold and silver accounts they maintain between each other, not only for the settlement of mutual trades, but for third party transfers. These transfers are conducted on behalf of clients and other members of the London bullion market in settlement of their own loco London bullion activities. This system avoids the security risks and costs involved in the physical movement of bullion.

The bullion clearing system in the London market is overseen and managed by the London Precious Metals Clearing Limited (“**LPMCL**”), which is jointly owned and managed by those LBMA members who not only provide a comprehensive clearing service in the London market, but which also have applied for and been granted membership of LPMCL.

The rules put in place by LPMCL enhance the financial security of the clearing by enabling “netting” of clearing activities to be set-off with all other obligations between any two LPMCL members. The netting facilities encapsulate both gold and silver.

Unit for Delivery of Loco London Gold

The unit for delivery of loco London gold is the London Good Delivery gold bar (“**LGD gold bar**”). It must have a minimum fineness of 995.0 and a gold content of between 350 and 430 fine troy ounces with the bar weight expressed in multiples of 0.025 of an ounce (which is the smallest weight used in the market). Bars are generally close to 400 ounces or 12.5 kilograms. The LBMA document *The Good Delivery Rules for Gold and Silver Bars* describes the rules for weighing bars and how the numbers can be rounded. Gold bars are weighed using a beam balance. When weighing a gold bar, it must “turn the scale” when the correct weight is placed on the scale. If a bar does not “turn the scale,” then the recorded weight is reduced by 0.025 of an ounce.

“Turn the scale” means that the indicator needle on the beam balance moves at least two divisions of 0.002 ounce each in favour of the bar.

Fine gold content refers to the actual quantity of pure gold in a bar and is expressed to three decimal places. The fine gold content is calculated by multiplying the recorded gross weight by the fineness (to one decimal place). Rounding of the third decimal in the resulting figure is allowed if the fourth decimal prior to any rounding is a nine.

Additionally, each gold bar must bear the following markings:

- (i) the serial number;
- (ii) the assay stamp of refiner;
- (iii) the fineness (to four significant figures); and
- (iv) the year of manufacture (expressed in four digits).

LGD gold bars must conform to the specifications for Good Delivery set by the LBMA. A variety of smaller exact weight bars is available for sale to wholesale clients in addition to LGD gold bars, however for the purposes of the Programme all gold bars that form part of the Secured Property are intended to conform to the specifications for Good Delivery set by the LBMA.

Further information can be found on <http://www.lbma.org.uk/delivery>. The Good Delivery Rules can be found on http://www.lbma.org.uk/pages/index.cfm?page_id=28&title=good_delivery_rules.

Settlement and Delivery

The basis for settlement of the loco London bullion quotation is delivery of a standard LGD gold bar at the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in U.S. dollars over a dollar account in New York, delivery of gold against transactions in gold are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an ‘allocated account’ (see below) or (iii) through the London Bullion Clearing system to the ‘unallocated account’ (see below) of any third party. Many dealers maintain ‘consignment stocks’ of physical bullion around the world to facilitate efficient and speedy delivery in active bullion centres.

Allocated Accounts

Allocated accounts are accounts held by dealers in clients’ names on which are maintained balances of uniquely identifiable bars of gold “allocated” to a specific client and segregated from other gold held in the vault of that dealer.

The client has full title to this gold with the dealer holding it on the client’s behalf as custodian. Gold in an allocated account does not form part of a gold dealer’s assets. Clients’ holdings will be identified in a weight list of bars showing the unique bar number, gross weight and the assay or fineness of each bar and its fine weight. Credits or debits to the holding will be effected by segregation of bars to or from the client’s segregated holding. An allocated account cannot, by definition, be overdrawn.

Unallocated Accounts

Unallocated accounts are accounts held by dealers in clients' names on which are maintained balances of gold that represent an entitlement of the client to have equivalent amounts of gold delivered by the dealer. The balances do not represent uniquely identifiable bars of gold "allocated" to a specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding bullion and are integral to the loco London mechanism for these metals. The unit of these accounts in respect of gold is one fine troy ounce of gold based upon a 995.0 fine LGD gold bar. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific bars of gold, but instead represent a right of the client to call for delivery of the relevant amount of gold. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian. This is similar to the position with respect to clients' cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for gold held on an unallocated basis. A negative balance will represent the gold indebtedness of the client to the dealer in the case where the client has a gold overdraft facility.

Should the client wish to receive actual gold, this is done by "allocating" specific bars, the gold content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that gold may be allocated on a relevant London business day on which it is called for, with gold generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, gold bars may be drawn down, or allocated, from an unallocated account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

Market Regulation

As far as the London bullion market is concerned, regulation falls under two categories, the companies involved and the market itself. Responsibility for the prudential banking regulation of most of the financial firms that are active in the London bullion market lies with the PRA (www.bankofengland.co.uk). The FCA is responsible for the prudential regulation of financial firms not subject to prudential regulation by the PRA. The PRA works closely with the FCA, which is responsible for all conduct of business regulation of financial firms, as well as for consumer and competition issues.

Conduct of business in the London bullion market however falls under two jurisdictions dictated by the type of business. In its role as conduct regulator for all financial firms, the FCA is responsible for "investment business" as defined under the FSMA, which for the bullion market covers derivatives.

The requirements upon financial firms in their dealings with market professionals are set out in MiFID, which became effective on 1 November 2007. For spot, forwards and deposits in gold which are not covered by the FSMA, guidelines for the conduct of business are set out in *The London Code of Conduct for Non-Investment Products* (the "Code"). This Code has been drawn up by market practitioners representing the foreign exchange, money and bullion markets in conjunction with the Bank of England. It sets out the standards of conduct and professionalism expected between market practitioners as between them and their clients.

The London Precious Metal Fixings

The London precious metals market has the London gold, silver, platinum and palladium fixings (the "Fixings"). The guiding principle behind the Fixings is that all business, whether for large or small amounts, is conducted solely on the basis of a single published Fixing price. Clients around the world

wishing to buy or sell precious metals may all do so at the Fixing price, upon which a small commission is generally charged. These fully transparent benchmarks are globally accepted as the basis for pricing a variety of transactions, including industrial contracts and averaging business. They may also be used as a basis for cash-settled swap and option transactions. Orders executed at the Fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

Fixing prices for gold, silver, platinum and palladium are published immediately by the various news agencies. Historical data for Gold Fixing data may be found on the LBMA website (<http://www.lbma.org.uk/stats/goldfixg>).

The Gold Fixing

There are four members of the gold Fixing – all of whom are market making members of the LBMA. The Fixing is conducted by telephone twice each London business day at 10:30 and 15:00 London time. Clients place orders with the dealing rooms of Fixing members, who net all orders before communicating the net interest to their representative at the Fixing. The gold price is then adjusted up and down until sell and buy orders are matched, at which point the price is declared “fixed” and all orders are executed on the basis of that price. Transparency at the Fixing is served by the fact that clients may be kept advised of price changes, together with the level of interest, while the Fixing is in progress and may cancel, increase or decrease their interest dependent upon this information.

The chairmanship of the Fixing rotates annually among the member firms. As at the date of this Base Prospectus, the Fixing members are The Bank of Nova Scotia–ScotiaMocatta, Barclays Capital, HSBC Bank USA NA London Branch and Société Générale and the market making members can be found at any time on <http://www.lbma.org.uk/pricing-and-statistics>. The list of ordinary members can be found on <http://www.lbma.org.uk/index.html>.

Currency Unit

The market is generally quoted in U.S. dollars per ounce. Quotations in other currencies are available upon negotiation. In addition to a U.S. dollar price, the London fixings for gold offer benchmark prices in both pounds sterling and euros. However, for the purposes of the ETC Securities, only the U.S. dollar price is used.

Loco London Spot Price

The loco London spot prices are the bases for virtually all transactions in gold. They are quotations made by dealers based on U.S. dollars per fine ounce for gold. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the “normal” spot value date falls on a day when the New York U.S. dollar clearing system is closed, then the spot day moves forward one day. A list of future value dates for bullion may be found on the LBMA website (www.lbma.org.uk).

Settlement Credit Risk

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London bullion transfer instructions is 16:00 London time, credit exposure arises between the parties to a bullion spot transaction against U.S. dollars. The seller of bullion will not have absolute confirmation that the countervalue in currency has been received in their New York U.S. dollar account before having to release the bullion to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus U.S. dollars.

Vaulting

Certain members of the London bullion market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Additionally, for gold,

account facilities for allocated metal at the Bank of England are sometimes used. Costs for storage and insurance of precious metals are subject to negotiation.

Description of Physical Gold

Properties

Gold is a dense, lustrous, yellow precious metal that has been used for a long period of time as a store of value, as a unit of exchange and in jewellery. It is the most malleable and ductile metal known to man such that a single gram of gold can be beaten into a sheet of one square metre or a wire one mile long. Gold is a good conductor of heat and electricity, and it is unaffected by air, heat, moisture and most solvents. It is occasionally found in nuggets, but occurs more commonly as minute grains between mineral grain boundaries. Historically, gold was obtained by panning stream beds, but modern extraction techniques can economically recover gold from ore grades as low as 0.5 parts per million. Gold was used as a benchmark for the world monetary system between 1944 and 1971, when the Bretton Woods agreement fixed the world's paper currencies to the U.S. dollar, which in turn was fixed to the price of gold. The collapse of this system at the end of 1971 heralded not only freely floating exchange rates but also freely floating gold prices.

Major producers

Since 1905, South Africa had been the world's largest producer of gold. However, in 2007 China surpassed South African production. South African production has suffered from declining ore grades, maturing mines, power disruption and labour unrest during this decade. Today, China, Australia, the United States, Russia and South Africa account for more than 40 per cent. of the world's annual gold mine production.

Major holders

Global central banks remain a powerful community in terms of the world gold market. According to statistics published by the World Gold Council in March 2014 (which were based on the most recent International Monetary Fund data at the time of preparation, some of which were from several months earlier), their combined holdings amounted to 31,877 tonnes.

According to those statistics, the largest holder of gold reserves is the United States with 8,134 tonnes, equivalent to 71.0 per cent. of the United States' total reserves. The average gold to total reserve ratio across all central banks is 15.3 per cent. However in Europe ratios are significantly higher (with Portugal holding the highest gold to total reserve ratio at 85.3 per cent.).

Major uses

The majority of gold consumption comes from the jewellery sector, alloys of gold with silver, copper and other metals are often used because pure gold is often too soft for ordinary use. When used in jewellery, the quality of gold is measured in karats (k), with pure gold being 24k, and lower numbers indicating higher copper or silver content, for example. Gold has some industrial uses due to its electrical conductivity, resistance to corrosion, reflectiveness, and other physical and chemical properties. It is used in electrical connectors and contacts, electronics, restorative dentistry, medical applications, chemistry and photography.

SILVER

The information provided below does not purport to be a complete summary of information relating to silver or current practices involved in the trading, storage and clearing of silver. The summary below gives relevant details about the market for silver in London.

General Market Information

Users of the London Silver Markets

The main market for silver relating to ETC Securities to be issued by the Issuer is the LBMA. Clients served by the LBMA include:

- (i) Primary producers of bullion wishing to refine or market their product.
- (ii) Fabricators, including the global jewellery industry.
- (iii) Central banks.
- (iv) Investors, fund managers or speculators.

Trading in bullion consists of transactions in spot, forwards, options and other derivatives on an OTC market. The OTC market trades on a 24 hour per day continuous basis and accounts for most of the trading in bullion. Members of the London metals market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transactions between members tend to be in standard dealing amounts, however when members deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

London Bullion Market Association

The LBMA is the London-based trade association that represents the wholesale gold and silver bullion market in London. London is the focus of the international OTC market for gold and silver, with a client base that includes the majority of the central banks that hold gold, plus producers, refiners, fabricators and other traders throughout the world. The LBMA was formally incorporated in 1987.

Members of the London bullion market typically trade with each other and with their clients on a principal-to-principal basis, which means that all risks, including those of credit, are between the two counterparties to a transaction, as opposed to an exchange traded environment. The London bullion market is a wholesale market, where minimum traded amounts for clients are generally 1,000 ounces of gold and 50,000 ounces of silver.

As of the date of this Base Prospectus, further information on the LBMA can be found on www.lbma.org.uk.

Good Delivery

The LBMA "Good Delivery List" is now widely recognised as representing the *de facto* standard for the quality of gold and silver bars due to the stringent criteria for assaying standards and bar quality that an applicant must satisfy in order to be listed.

Trading Units

- (i) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507465 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = $((1/32.1507465) \times 1,000) = 31.1034768$ grams.

For silver, one troy ounce represents one ounce of material, of which a minimum of 999 parts in every 1,000 will be silver. Generally, in relation to silver, all references to ounces mean troy ounces.

- (ii) **Fineness:** A measure of the proportion of silver in a bullion bar. It therefore defines the purity of a silver bar.
- (iii) **Assaying:** The process by which fineness is determined. The purity of silver articles is often quoted in the form of fineness.

Loco London

Loco London is a central concept for the London bullion market as it represents the basis for international trading and settlement in bullion. Most global over-the-counter bullion trading is cleared through the London bullion market clearing system, with deals between parties throughout the world settled and cleared in London.

London Bullion Clearing

London Bullion Clearing is central to the loco London system. It is a daily clearing system of paper transfers whereby LBMA members offering clearing services utilise the unallocated gold and silver accounts they maintain between each other, not only for the settlement of mutual trades, but for third party transfers. These transfers are conducted on behalf of clients and other members of the London bullion market in settlement of their own loco London bullion activities. This system avoids the security risks and costs involved in the physical movement of bullion.

The bullion clearing system in the London market is overseen and managed by the LPMCL, which is jointly owned and managed by those LBMA members who not only provide a comprehensive clearing service in the London market, but which also have applied for and been granted membership of LPMCL.

The rules put in place by LPMCL enhance the financial security of the clearing by enabling "netting" of clearing activities to be set-off with all other obligations between any two LPMCL members. The netting facilities encapsulate both gold and silver.

Unit for Delivery of Loco London Silver

The unit for delivery of loco London silver is the London Good Delivery silver bar ("**LGD silver bar**"). It must have a minimum fineness of 999 and a weight range of between 750 and 1,100 ounces, although it is recommended that ideally bars should be produced within the range of 900 to 1,050 ounces. Bars generally weigh around 1,000 ounces. The bar weight is expressed in multiples of 0.10 of an ounce (which is the smallest weight used for a beam balance). The LBMA document *The Good Delivery Rules for Gold and Silver Bars* describes the rules for weighing bars and how the numbers can be rounded. Silver bars are weighed using a beam balance. When weighing a silver bar, it must "turn the scale" when the correct weight is placed on the scale. If a bar does not "turn the scale," then the recorded weight is reduced by 0.10 of an ounce.

"Turn the scale" means that the indicator needle on the beam balance moves at least two divisions of 0.002 ounce each in favour of the bar.

Additionally, each silver bar must bear the following markings:

- (i) the serial number;
- (ii) the assay stamp of refiner;

- (iii) the fineness (to either three or four significant figures);
- (iv) the year of manufacture (expressed in four digits); and
- (v) optionally, the weight, if included, may be shown in either troy ounces or kilograms.

LGD silver bars must conform to the specifications for Good Delivery set by the LBMA. A variety of smaller exact weight bars is available for sale to wholesale clients in addition to LGD silver bars, however for the purposes of the Programme all silver bars that form part of the Secured Property are intended to conform to the specifications for Good Delivery set by the LBMA.

Further information can be found on <http://www.lbma.org.uk/delivery>. The Good Delivery Rules can be found on http://www.lbma.org.uk/pages/index.cfm?page_id=28&title=good_delivery_rules.

Settlement and Delivery

The basis for settlement of the loco London bullion quotation is delivery of a standard LGD silver bar at the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in U.S. dollars over a dollar account in New York, delivery of silver against transactions in silver are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an 'allocated account' (see below) or (iii) through the London Bullion Clearing system to the 'unallocated account' (see below) of any third party. Many dealers maintain 'consignment stocks' of physical bullion around the world to facilitate efficient and speedy delivery in active bullion centres.

Allocated Accounts

Allocated accounts are accounts held by dealers in clients' names on which are maintained balances of uniquely identifiable bars of silver "allocated" to a specific client and segregated from other silver held in the vault of that dealer.

The client has full title to this silver with the dealer holding it on the client's behalf as custodian. Silver in an allocated account does not form part of a silver dealer's assets. Clients' holdings will be identified in a weight list of bars showing the unique bar number, gross weight and the assay or fineness of each bar. Credits or debits to the holding will be effected by segregation of bars to or from the client's segregated holding. An allocated account cannot, by definition, be overdrawn.

Unallocated Accounts

Unallocated accounts are accounts held by dealers in clients' names on which are maintained balances of silver that represent an entitlement of the client to have equivalent amounts of silver delivered by the dealer. The balances do not represent uniquely identifiable bars of silver "allocated" to a specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding bullion and are integral to the loco London mechanism for these metals. The unit of these accounts in respect of silver is one troy ounce of silver based upon a 999 fine LGD silver bar. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific bars of silver but instead represent a right of the client to call for delivery of the relevant amount of silver. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian. This is similar to the position with respect to clients' cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for silver held on an unallocated basis. A negative balance will represent the silver indebtedness of the client to the dealer in the case where the client has a silver overdraft facility.

Should the client wish to receive actual silver, this is done by "allocating" specific bars, the silver content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the

client as allocated metal requires more management and administration than unallocated metal. Market convention is that silver may be allocated on a relevant London business day on which it is called for, with silver generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, silver bars may be drawn down, or allocated, from an unallocated account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

Market Regulation

As far as the London bullion market is concerned, regulation falls under two categories, the companies involved and the market itself. Responsibility for the prudential banking regulation of most of the financial firms that are active in the London bullion market lies with the PRA (www.bankofengland.co.uk). The FCA is responsible for the prudential regulation of financial firms not subject to prudential regulation by the PRA. The PRA works closely with the FCA, which is responsible for all conduct of business regulation of financial firms, as well as for consumer and competition issues

Conduct of business in the London bullion market however falls under two jurisdictions dictated by the type of business. In its role as conduct regulator for all financial firms, the FCA is responsible for “investment business” as defined under the FSMA, which for the bullion market covers derivatives.

The requirements upon financial firms in their dealings with market professionals are set out in MiFID, which became effective on 1 November 2007. For spot, forwards and deposits in silver which are not covered by the FSMA, guidelines for the conduct of business are set out in *The London Code of Conduct for Non-Investment Products* (the “**Code**”). This Code has been drawn up by market practitioners representing the foreign exchange, money and bullion markets in conjunction with the Bank of England. It sets out the standards of conduct and professionalism expected between market practitioners as between them and their clients.

The London Precious Metal Fixings

The London precious metals market has the London gold, silver, platinum and palladium Fixings. The guiding principle behind the Fixings is that all business, whether for large or small amounts, is conducted solely on the basis of a single published Fixing price. Clients around the world wishing to buy or sell precious metals may all do so at the Fixing price, upon which a small commission is generally charged. These fully transparent benchmarks are globally accepted as the basis for pricing a variety of transactions, including industrial contracts and averaging business. They may also be used as a basis for cash-settled swap and option transactions. Orders executed at the Fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

Fixing prices for gold, silver, platinum and palladium are published immediately by the various news agencies. Historical data for Silver Fixing data may be found on the LBMA website (<http://www.lbma.org.uk/stats/silvfixg>).

The Silver Fixing

Three market making members of the LBMA conduct the silver Fixing meeting under the chairmanship of The Bank of Nova Scotia– ScotiaMocatta by telephone at 12.00 noon each working day. The other two members of the Silver Fixing are Deutsche Bank AG, London Branch and HSBC Bank USA NA London Branch. Clients place orders with the dealing rooms of Fixing members, who net all orders before communicating the net interest to their representative at the Fixing. The silver price is then adjusted up and down until sell and buy orders are matched, at which point the price is declared “fixed” and all orders are executed on the basis of that price. Transparency at the Fixing is served by the fact that clients may be kept advised of price changes, together with the level of interest, while the Fixing is in progress and may cancel, increase or decrease their interest dependent upon this information.

Currency Unit

The market is generally quoted in U.S. dollars per ounce. Quotations in other currencies are available upon negotiation. In addition to a U.S. dollar price, the London fixings for silver offer benchmark prices in both pounds sterling and euros. However, for the purposes of the ETC Securities, only the U.S. dollar price is used.

Loco London Spot Price

The loco London spot prices are the bases for virtually all transactions in silver. They are quotations made by dealers based on U.S. dollars per ounce for silver. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the “normal” spot value date falls on a day when the New York U.S. dollar clearing system is closed, then the spot day moves forward one day. A list of future value dates for bullion may be found on the LBMA website (www.lbma.org.uk).

Settlement Credit Risk

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London bullion transfer instructions is 16:00 London time, credit exposure arises between the parties to a bullion spot transaction against U.S. dollars. The seller of bullion will not have absolute confirmation that the countervalue in currency has been received in their New York U.S. dollar account before having to release the bullion to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus U.S. dollars.

Vaulting

Certain members of the London bullion market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation.

Description of Physical Silver

Properties

Silver is often found in close proximity to other ores, such as lead, copper and zinc. Silver has the highest electrical conductivity of all metals, but its cost being many times more expensive than copper has prevented it from being used more widely for electrical purposes. It is also ductile, malleable, a superior conductor of heat and a good reflector of light.

Major producers

Approximately three quarters of silver production is mined from gold, copper, lead and zinc mines as a by product of these metals. Mexico was the largest producer of silver in 2012 followed by China, Peru, Australia and Russia. The United States, China and Japan are the largest consumers of silver representing almost more than 40 per cent. of world demand, followed by India and Germany.

Major users

Demand for Silver is dominated by three main categories: jewellery and silverware, industrial applications and photography. It is used in the electronics sector due to its conductivity and price in relation to gold. Photographic use has declined with the rise of digital photography. Other industrial applications of silver include catalyst use, water purification, electrical applications, brazing and soldering, mirror and other coating and electroplating.

PLATINUM

The information provided below does not purport to be a complete summary of information relating to platinum or current practices involved in the trading, storage and clearing of platinum. The summary below gives relevant details about the market for platinum in London.

General Market Information

Users of the London Platinum Markets

The main market for platinum relating to ETC Securities to be issued by the Issuer is LPPM. Clients served by the LPPM include:

- (i) Primary producers of platinum wishing to refine or market their product.
- (ii) Fabricators, including the global jewellery industry.
- (iii) Central banks.
- (iv) Investors, fund managers or speculators.

Trading in platinum consists of transactions in spot, forwards, options and other derivatives on an OTC market. The OTC market trades on a 24 hour per day continuous basis and accounts for most of the trading in platinum. Members of the London metals market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transaction between members tend to be in standard dealing amounts, however when members deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

London Platinum and Palladium Market

The LPPM is a trade association that acts as a co-ordinator for activities conducted by its members¹ and other market participants in the London market. The LPPM has three categories: full, associate and affiliate.

Full membership of the LPPM is open to those companies in the UK currently engaged in trading and dealing in platinum and palladium and that are recognised by the Management Committee of the LPPM as offering additional services in the UK to the market, including market-making, clearing services, refining or manufacturing. All founding members of the LPPM are full members.

Associate membership is open to companies in the UK that are recognised by the Management Committee of the LPPM as being currently engaged in trading and dealing in platinum and palladium and have an appropriate level of net assets and experience.

Affiliation is open to those companies which fail to meet the normal requirements of full or associate membership as above but are recognised by the LPPM as being involved with or offering support to the global platinum and palladium markets.

The LPPM is managed by a Chairman and Management Committee, elected annually by members. Leading organisations dealing in platinum and palladium in major centres worldwide are represented on the LPPM.

As of the date of this Base Prospectus, Deutsche Bank AG is a full member of the LPPM.

History

London has always been an important centre for platinum and palladium. Trading was established in the early decades of the twentieth century, usually alongside the longer established bullion metals.

¹ For the full list of members see the LPPM website at www.lppm.com

In 1973 the London Platinum Quotation was introduced. It was the forerunner of the fixings; a twice-daily indication of the market price for spot platinum, reported by some of the principal companies dealing in the metal.

In 1979 the leading London and Zurich dealers reached an agreement to standardise the specifications and provenance of metal which they would accept as good delivery. In 1987 the informal trading which had taken place for many years on a principal to principal basis was formalised via a Deed of Establishment into the LPPM. In 1989 the London Platinum and Palladium Quotations were expanded and upgraded to full fixings.

Good Delivery

To facilitate trading among members, a list of acceptable melters and assayers is maintained by the LPPM. This is known as The London Good Delivery List. The rules for Good Delivery can be found at the following website address:

<http://www.lppm.com/display.aspx?type=gooddelivery>

Trading Units

- (i) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507465 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = $((1/32.1507465) \times 1,000) = 31.1034768$ grams

For platinum, this is one troy ounce and it represents one ounce of material, of which a minimum of 999.5 parts in every 1,000 will be platinum. Generally, in relation to platinum, all references to ounces mean troy ounces.

- (ii) **Fineness:** A measure of the proportion of platinum in a plate or ingot and is expressed in terms of the fine metal content in parts per 1,000. It therefore defines the purity of a platinum plate or ingot.
- (iii) **Assaying:** The process by which fineness is determined. The purity of platinum is often quoted in the form of fineness.

Unit for Delivery of Loco London Platinum

The unit for delivery of loco London platinum is the Good Delivery platinum plate or ingot. It must have a minimum fineness of 999.5 and a weight of between one kilogram (32.151 troy ounces) and six kilograms (192.904 troy ounces). The weight of the plate or ingot if in grams must be expressed to one decimal place and if in troy ounces to three decimal places. Platinum Good Delivery plates or ingots must conform to the specifications for Good Delivery set by the LPPM. To qualify as Good Delivery platinum must conform to the following specifications:

- (i) **Markings:** Each plate or ingot must bear:
- (a) the producer's recognised mark;
 - (b) the letters PT or PLATINUM with a stamp indicating the purity;
 - (c) an individual number or mark;
 - (d) the year of manufacture; and

- (e) the weight in grams, kilograms or troy ounces (if in grams to one decimal place, if in kilograms to four decimal places, or if in troy ounces to three decimal places).

- (ii) Appearance: Smooth, free from cavities and easy to handle.

The list of refiners and assayers whose material was found by the LPPM to meet the required standard can be found at the following website address: <http://www.lppm.com/lists.aspx?type=pt>.

Settlement and Delivery

The basis for settlement is delivery of a standard Good Delivery plate or ingot at the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in U.S. dollars over a dollar account in New York, delivery of platinum against transactions in platinum are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an “allocated account” (see below) or (iii) through the London Bullion Clearing to the “unallocated account” (see below) of any third party.

Allocated Accounts

Allocated accounts are accounts held by dealers in clients’ names on which are maintained balances of uniquely identifiable plates or ingots of platinum “allocated” to a specific client and segregated from other platinum held in the vault of that dealer.

The client has full title to this platinum with the dealer holding it on the client’s behalf as custodian. Platinum in an allocated account does not form part of a platinum dealer’s assets. Clients’ holdings will be identified in a weight list of plates or ingots showing the unique plate or ingot number, gross weight and the assay or fineness of each plate or ingot. Credits or debits to the holding will be effected by segregation of plates or ingots to or from the client’s segregated holding. An allocated account cannot, by definition, be overdrawn.

Unallocated Accounts

Unallocated accounts are accounts held by dealers in clients’ names on which are maintained balances of platinum that represent an entitlement of the client to have equivalent amounts of platinum delivered by the dealer. The balances do not represent uniquely identifiable plates or ingots of platinum “allocated” to specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding platinum and are integral to the loco London mechanism for these metals. The unit of these accounts in respect of platinum is one troy ounce of platinum based upon a 999.5 fine Good Delivery platinum plate or ingot. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific plates or ingots of platinum but instead represent a right of the client to call for delivery of the relevant amount of platinum. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian. This is similar to the position with respect to clients’ cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for platinum held on an unallocated basis. A negative balance will represent the platinum indebtedness of the client to the dealer in the case where the client has a platinum overdraft facility.

Should the client wish to receive actual platinum, this is done by “allocating” specific plates or ingots or equivalent precious metal product, the platinum content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that platinum may be allocated on a relevant London business day on which it is called for, with platinum generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, platinum plates or ingots may be drawn down, or allocated, from an unallocated account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

Market Regulation

The principal-to-principal platinum and palladium market is not in itself regulated by the PRA or FCA, although some of the participants may be regulated to the extent that they trade in platinum or palladium derivative products or they need to be FCA (and, if applicable PRA) regulated by virtue of other aspects of their business.

The London Precious Metal Fixings

The London precious metals market has the London Gold, Silver, Platinum and Palladium Fixings. The guiding principle behind the Fixings is that all business, whether for large or small amounts, is conducted solely on the basis of a single published Fixing price. Clients around the world wishing to buy or sell precious metals may all do so at the Fixing price, upon which a small commission is generally charged. These fully transparent benchmarks are globally accepted as the basis for pricing a variety of transactions, including industrial contracts and averaging business. They may also be used as a basis for cash-settled swap and option transactions. Orders executed at the Fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

Fixing prices for gold, silver, platinum and palladium are published immediately by the various news agencies. Platinum Fixing data may be found on the LPPM website (www.lppm.com/statistics.aspx).

Platinum Fixing

The platinum fixing is currently conducted by four full members of the LPPM by telephone at 9:45 and 14:00 London time each working day under a chairman. The LPPM fixing members are BASF Metals Limited, Goldman Sachs International, HSBC Bank USA NA London Branch and Standard Bank PLC.

The fixing members elect a chairman, who presides over the fixing. At the commencement of each fixing the chairman announces an opening price which is relayed to the members' dealing rooms. This is in turn relayed to the clients of members and, on the basis of orders received, members declare as a buyer or seller. Provided both buying and selling interests are declared, members are then asked to state the amount in which they wish to trade. If the amounts of buying and selling do not balance, the same procedure is followed again at higher or lower prices until a balance is achieved. The fixing price should be the price at which all buying and selling orders declared by members at the fixing can be matched and it is the responsibility of the Chairman of the fixing to determine when this occurs.

A feature of the fixings is that clients may be kept advised of price changes throughout and may alter their instructions at any time until the price is fixed. If all orders cannot be balanced at any price the fixing price shall be determined by the Chairman of the fixing, at his discretion, having due regard to prevailing bids and offers. Exceptionally a pro-rata settlement may be necessary. Fixing members' clients who sell at the fixing receive the fixing price without deduction of commission. The commission payable by fixing members' clients who purchase at the fixing is by negotiation.

Unless otherwise agreed by the parties, settlement shall be made two business days after the date of the contract and for settlement purposes Saturdays, Sundays and public holidays in London and/or New York are to be considered non-business days. Unless otherwise agreed delivery shall be made at the vaults of the member, in London or Zurich. For the purposes of the Base Prospectus and the Issuer, delivery of platinum over which Security will be taken by the Trustee will only be made in London.

Currency Unit

The market is generally quoted in U.S. dollars per ounce. Quotations in other currencies are available upon negotiation. In addition to a U.S. dollar price, the London fixings for platinum offer benchmark

prices in both pounds sterling and euros. However, for the purposes of the ETC Securities, only the U.S. dollar price is used.

Loco London Spot Price

The loco London spot prices are the bases for virtually all transactions in platinum. They are quotations made by dealers based on U.S. dollars per ounce for platinum. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the “normal” spot value date falls on a day when the New York U.S. dollar clearing system is closed, then the spot day moves forward one day. A list of future value dates for platinum may be found on the LPPM website (www.lppm.com).

Settlement Credit Risk

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London platinum transfer instructions is 15:00 London time, credit exposure arises between the parties to a platinum spot transaction against U.S. dollars. The seller of platinum will not have absolute confirmation that the countervalue in currency has been received in their New York U.S. dollar account before having to release the platinum to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus U.S. dollars.

Vaulting

Certain members of the London platinum market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation.

Description of Physical Platinum

Properties

Platinum has a very recent history, unlike gold and silver, which have been known since the earliest civilisations. Platinum was only categorised as a precious metal in 1751. It is a noble metal which means that very few chemicals will react with it or corrode it. It is 30 times rarer than gold and it is also twice as expensive and heavy as gold.

Major producers

The major producers are South Africa, Russia, Canada, the United States and Zimbabwe. In terms of yield, 7 to 12 tonnes of ore are required to produce one troy ounce of platinum.

Major uses

Platinum has excellent catalytic properties and fuel cells use it as catalyst to convert hydrogen and oxygen to electricity. This accounts for over 40 per cent. of total platinum usage. Platinum's role in hydrogen fuel cell technology could revolutionise the demand for the metal in an environment of persistent high oil prices.

PALLADIUM

The information provided below does not purport to be a complete summary of information relating to palladium or current practices involved in the trading, storage and clearing of palladium. The summary below gives relevant details about the market for palladium in London.

General Market Information

Users of the London Palladium Markets

The main market for palladium relating to ETC Securities to be issued by the Issuer is the LPPM. Clients served by the LPPM include:

- (i) Primary producers of palladium wishing to refine or market their product.
- (ii) Fabricators, including the global jewellery industry.
- (iii) Central banks.
- (iv) Investors, fund managers or speculators.

Trading in palladium consists of transactions in spot, forwards, options and other derivatives on an OTC market. The OTC market trades on a 24 hour per day continuous basis and accounts for most of the trading in palladium. Members of the London metals market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transaction between members tend to be in standard dealing amounts, however when members deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

London Platinum and Palladium Market

The LPPM is a trade association that acts as a co-ordinator for activities conducted by its members² and other market participants in the London market. The LPPM has three categories: full, associate and affiliate.

Full membership of the LPPM is open to those companies in the UK currently engaged in trading and dealing in platinum and palladium and are recognised by the Management Committee of the LPPM as offering additional services in the UK to the market, including market-making, clearing services, refining or manufacturing. All founding members of the LPPM are full members.

Associate membership is open to companies in the UK which are recognised by the Management Committee of the LPPM as being currently engaged in trading and dealing in platinum and palladium and have an appropriate level of net assets and experience.

Affiliation is open to those companies which fail to meet the normal requirements of full or associate membership as above but are recognised by the LPPM as being involved with or offering support to the global platinum and palladium markets.

The LPPM is managed by a Chairman and Management Committee, elected annually by members. Leading organisations dealing in platinum and palladium in major centres worldwide are represented on the LPPM.

As of the date of this Base Prospectus, Deutsche Bank AG is a full member of the LPPM.

History

London has always been an important centre for platinum and palladium. Trading was established in the early decades of this century, usually alongside the longer established bullion metals.

² For the full list of Members see the LPPM website at www.lppm.com

In 1979 the leading London and Zurich dealers reached an agreement to standardise the specifications and provenance of metal which they would accept as good delivery. In 1987 the informal trading which had taken place for many years on a principal to principal basis was formalised via a Deed of Establishment into the LPPM. In 1989 the London Platinum and Palladium Quotations were expanded and upgraded to full fixings.

Good Delivery

To facilitate trading among members, a list of acceptable melters and assayers is maintained by the LPPM. This is known as The London Good Delivery List. The rules for Good Delivery can be found at the following website address:

<http://www.lppm.com/display.aspx?type=gooddelivery>

Trading Units

- (i) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507465 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = $((1/32.1507465) \times 1,000) = 31.1034768$ grams

For palladium, this is one troy ounce and it represents one ounce of material, of which a minimum of 999.5 parts in every 1,000 will be palladium. Generally, in relation to palladium, all references to ounces mean troy ounces.

- (ii) **Fineness:** A measure of the proportion of palladium in a plate or ingot and is expressed in terms of the fine metal content in parts per 1,000. It therefore defines the purity of a palladium plate or ingot.
- (iii) **Assaying:** The process by which fineness is determined. The purity of palladium articles is often quoted in the form of fineness.

Unit for Delivery of Loco London Palladium

The unit for delivery of loco London palladium is the Good Delivery palladium plate or ingot. It must have a minimum fineness of 999.5 and a weight of between one kilogram (32.151 troy ounces) and six kilograms (192.904 troy ounces). The weight of the plate or ingot if in grams must be expressed to one decimal place and if in troy ounces to three decimal places. Palladium Good Delivery plates or ingots must conform to the specifications for Good Delivery set by the LPPM.

In addition, to qualify as "good delivery" palladium must conform to the following specifications:

- (i) **Markings:** Each plate or ingot must bear:
- (a) the producer's recognised mark;
 - (b) the letters PD or PALLADIUM with a stamp indicating the purity;
 - (c) an individual number or mark;
 - (d) the year of manufacture; and
 - (e) the weight in grams, kilograms or troy ounces (if in grams to one decimal place, if in kilograms to four decimal places, or if in troy ounces to three decimal places).

- (ii) **Appearance:** Smooth, free from cavities and easy to handle.

The list of refiners and assayers whose material was found by the LPPM to meet the required standard can be found at the following website address: <http://www.lppm.com/lists.aspx?type=pd>

Settlement and Delivery

The basis for settlement is delivery of a standard Good Delivery plate or ingot at the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in U.S. dollars over a dollar account in New York, delivery of palladium against transactions in palladium are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an “allocated account” (see below) or (iii) through the London Clearing to the “unallocated account” (see below) of any third party.

Allocated Accounts

Allocated accounts are accounts held by dealers in clients’ names on which are maintained balances of uniquely identifiable plates or ingots of palladium “allocated” to a specific client and segregated from other palladium held in the vault of that dealer.

The client has full title to this palladium with the dealer holding it on the client’s behalf as custodian. Palladium in an allocated account does not form part of a palladium dealer’s assets. Clients’ holdings will be identified in a weight list of plates or ingots showing the unique plate or ingot number, gross weight and the assay or fineness of each plate or ingot. Credits or debits to the holding will be effected by segregation of plates or ingots to or from the client’s segregated holding. An allocated account cannot, by definition, be overdrawn.

Unallocated Accounts

Unallocated accounts are accounts held by dealers in clients’ names on which are maintained balances of palladium that represent an entitlement of the client to have equivalent amounts of palladium delivered by the dealer. The balances do not represent uniquely identifiable plates or ingots of palladium “allocated” to specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding palladium and are integral to the loco London mechanism for these metals. The unit of these accounts in respect of palladium is one troy ounce of palladium based upon a 999.55 fine Good Delivery palladium plate or ingot. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific plates or ingots of palladium, but instead represent a right of the client to call for delivery of the relevant amount of palladium. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian. This is similar to the position with respect to clients’ cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for palladium held on an unallocated basis. A negative balance will represent the palladium indebtedness of the client to the dealer in the case where the client has a palladium overdraft facility.

Should the client wish to receive actual palladium, this is done by “allocating” specific plates or ingots or equivalent precious metal product, the palladium content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that palladium may be allocated on a relevant London business day on which it is called for, with palladium generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, palladium plates or ingots may be drawn down, or allocated, from an unallocated account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

Market Regulation

The principal-to-principal platinum and palladium market is not in itself regulated by the PRA or FCA, although some of the participants may be regulated to the extent that they trade in platinum or palladium derivative products or they need to be FCA (and, if applicable PRA) regulated by virtue of other aspects of their business.

The London Precious Metal Fixings

The London precious metals market has the London gold, silver, platinum and palladium Fixings. The guiding principle behind the Fixings is that all business, whether for large or small amounts, is conducted solely on the basis of a single published Fixing price. Clients around the world wishing to buy or sell precious metals may all do so at the Fixing price, upon which a small commission is generally charged. These fully transparent benchmarks are globally accepted as the basis for pricing a variety of transactions, including industrial contracts and averaging business. They may also be used as a basis for cash-settled swap and option transactions. Orders executed at the Fixings are conducted as principal-to-principal transactions between the client and the dealer through whom the order is placed.

Fixing prices for gold, silver, platinum and palladium are published immediately by the various news agencies. Palladium Fixing data may be found on the LPPM website (www.lppm.com/statistics.aspx).

Palladium Fixing

The palladium fixing is currently conducted by four full members of the LPPM by telephone at 9:45 and 14:00 London time each working day under a chairman. The LPPM fixing members are BASF Metals Limited, Goldman Sachs International, HSBC Bank USA NA London Branch and Standard Bank PLC.

The fixing members elect a chairman, who presides over the fixing. At the commencement of each fixing the chairman announces an opening price which is relayed to the members' dealing rooms. This is in turn relayed to the clients of members and, on the basis of orders received, members declare as a buyer or seller. Provided both buying and selling interests are declared, members are then asked to state the amount in which they wish to trade. If the amounts of buying and selling do not balance, the same procedure is followed again at higher or lower prices until a balance is achieved. The fixing price should be the price at which all buying and selling orders declared by members at the fixing can be matched and it is the responsibility of the Chairman of the fixing to determine when this occurs.

A feature of the fixings is that clients may be kept advised of price changes throughout and may alter their instructions at any time until the price is fixed. If all orders cannot be balanced at any price the fixing price shall be determined by the Chairman of the fixing, at his discretion, having due regard to prevailing bids and offers. Exceptionally a pro-rata settlement may be necessary. Fixing members' clients who sell at the fixing receive the fixing price without deduction of commission. The commission payable by fixing members' clients who purchase at the fixing is by negotiation.

Unless otherwise agreed by the parties, settlement shall be made two business days after the date of the contract and for settlement purposes Saturdays, Sundays and public holidays in London and/or New York are to be considered non-business days. Unless otherwise agreed delivery shall be made at the vaults of the member, in London or Zurich. For the purposes of the Base Prospectus and the Issuer, delivery of palladium over which Security will be taken by the Trustee will only be made in London.

Currency Unit

The market is generally quoted in U.S. dollars per ounce. Quotations in other currencies are available upon negotiation. In addition to a U.S. dollar price, the London fixings for palladium offer benchmark

prices in both pounds sterling and euros. However, for the purposes of the ETC Securities, only the U.S. dollar price is used.

Loco London Spot Price

The loco London spot prices are the bases for virtually all transactions in palladium. They are quotations made by dealers based on U.S. dollars per ounce for palladium. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the “normal” spot value date falls on a day when the New York U.S. dollar clearing system is closed, then the spot day moves forward one day. A list of future value dates for palladium may be found on the LPPM website (www.lppm.com).

Settlement Credit Risk

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London palladium transfer instructions is 15:00 London time, credit exposure arises between the parties to a palladium spot transaction against U.S. dollars. The seller of palladium will not have absolute confirmation that the countervalue in currency has been received in their New York U.S. dollar account before having to release the palladium to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus U.S. dollars.

Vaulting

Certain members of the London palladium market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation.

Description of Physical Palladium

Properties

Palladium has a very recent history, unlike gold and silver, which have been known since the earliest civilisations. Palladium was isolated as a separate metal less than 200 years ago. It has excellent catalytic properties but it is not as resistant to tarnishing as platinum.

Major producers

The major producers are Russia, South Africa, Canada, the United States and Zimbabwe.

Major uses

Autocatalytic applications account for 65 per cent. of total palladium usage, with the next biggest usages in electronics and jewellery.

RHODIUM

The information provided below does not purport to be a complete summary of information relating to rhodium or current practices involved in the trading, storage and clearing of rhodium. The summary below gives relevant details about the market for rhodium in London.

General Market Information

Participants in the rhodium market

Participants in the market for rhodium include:

- (i) Primary producers and secondary refiners of rhodium wishing to refine or market their product.
- (ii) Consumers in relation to fabrication demand which is predominantly driven by autocatalytic applications. Other consumer related applications such as tooling for glass manufacturing sector.
- (iii) Investors, fund managers or speculators.

Trading in rhodium primarily consists of spot transactions. The OTC market trades mainly during London business hours. Participants in the rhodium market trade with each other rather than through an exchange and therefore take the full credit risk of their counterparty. Transactions between major participants tend to be in standard dealing amounts, however when these major participants deal with their clients they can provide a tailored service. Unlike a futures exchange where contracts are standardised in terms of contract units, settlement dates and delivery specifications, the OTC market is more flexible. Agreements are concluded between the two parties to a transaction and remain confidential.

History

London has always been an important centre for the platinum group metals. Trading was established in the early decades of the twentieth century, usually alongside the longer established bullion metals.

Trading Units

- (i) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507 troy ounces

1 gram = 0.0321507 troy ounces

so 1 troy ounce = $((1/32.1507) \times 1,000) = 31.10$ grams

For rhodium, this is one troy ounce and it represents one ounce of material, of which a minimum of 999 parts in every 1,000 will be rhodium. Generally, in relation to rhodium, all references to ounces mean troy ounces.

- (ii) **Fineness:** A measure of the proportion of rhodium in sponge form and is expressed in terms of the fine metal content in parts per 1,000. It therefore defines the purity the rhodium.
- (iii) **Assaying:** The process by which fineness is determined. The purity of rhodium articles is often quoted in the form of fineness.

Settlement and Delivery

The basis for settlement is delivery of rhodium to the London vault nominated by the dealer who made the sale. While currency settlement or payment for a transaction will generally be in U.S. dollars, delivery

of rhodium against transactions in rhodium are in practice made in a number of ways. These include (i) physical delivery at the vault of the dealer, (ii) by credit to an “allocated account” (see below) or (iii) to the “unallocated account” (see below) of any third party.

Allocated Accounts

Allocated accounts are accounts held by dealers in clients’ names on which are maintained balances of uniquely identifiable bottles of rhodium in sponge form “allocated” to a specific client and segregated from other rhodium held in the vault of that dealer.

The client has full title to this rhodium with the dealer holding it on the client’s behalf as custodian. Rhodium in an allocated account does not form part of a rhodium dealer’s assets. Clients’ holdings will be identified in a weight list of bottles of rhodium sponge showing the unique bottle seal number, batch number, gross weight and the assay or fineness of each bottle of rhodium sponge. Credits or debits to the holding will be effected by segregation of bottles of rhodium sponge to or from the client’s segregated holding. An allocated account cannot, by definition, be overdrawn.

Unallocated Accounts

Unallocated accounts are accounts held by dealers in clients’ names on which are maintained balances of rhodium that represent an entitlement of the client to have equivalent amounts of rhodium delivered by the dealer. The balances do not represent uniquely identifiable bottles of rhodium sponge “allocated” to a specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding rhodium and are integral to the loco London mechanism for this metal. The unit of these accounts in respect of rhodium is one troy ounce of rhodium based upon a 999 fineness. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to rhodium in sponge form, but instead represent a right of the client to call for delivery of the relevant amount of rhodium. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian. This is similar to the position with respect to clients’ cash held with any bank (although some banks (including banks incorporated in the United Kingdom) may have a government-backed guarantee to some monetary level of their cash accounts), although there is no government protection for rhodium held on an unallocated basis. A negative balance will represent the rhodium indebtedness of the client to the dealer in the case where the client has a rhodium overdraft facility.

Should the client wish to receive actual rhodium, this is done by “allocating” amounts of sponge, the rhodium content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that rhodium may be allocated on a relevant London business day on which it is called for, with rhodium generally available for collection within two London business days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

Using the analogy of a simple bank account, rhodium bottles of sponge may be drawn down, or allocated, from an unallocated account in just the same way that bank notes with specific unique numbers may be drawn out of a bank account.

Market Regulation

The principal-to-principal rhodium market is not in itself regulated by the PRA or FCA, although some of the participants may be regulated to the extent that they trade in rhodium derivative products or they need to be FCA (and, if applicable PRA) regulated by virtue of other aspects of their business.

Rhodium Fixing

The Metal Reference Price published on www.etc.db.com is a benchmark price fixed once a day and published on www.comdaqmetals.net by Comdaq Metals Switzerland AG (“**CMS**”) or its successor by reference to participants in the rhodium market.

The benchmark price for rhodium differs from the spot prices for metals like gold, platinum or silver. Compared to these heavily traded metals, only very small amounts of rhodium are bought and sold each day.

On each business day at or shortly after 12:45 p.m. London time, CMS will set a starting price which will be used as the first indicative price. CMS has absolute discretion as to which level to set such price but CMS will usually choose a price within the range of bids and offers for rhodium made worldwide and of which it is aware during the previous hour. CMS will invite each participant to declare solely to CMS whether it has an interest as a seller or a buyer at the indicative price, and then invite each seller and buyer, respectively, to specify the volume of rhodium it wishes to sell or buy, as the case may be, at the indicative price. This process is referred to as the “Declaration Procedure”.

Once the Declaration Procedure has been carried out at the initial indicative price, CMS may use that indicative price as the benchmark spot price. Alternatively, CMS may repeat the Declaration Procedure at a different indicative price or may take further steps to generate an indicative price where the total volume of rhodium that participants wish to sell is expected to be equal to the total volume that participants wish to purchase, and set the benchmark price by reference to that indicative price.

Historical price data for Rhodium may be found on the Issuer’s website (<http://www.etc.db.com/GBR/ENG/Private/QuotationHistory/historyExportSingle/GB00B684MW17>).

Currency Unit

The market is generally quoted in U.S. dollars per troy ounce. Quotations in other currencies are available upon negotiation.

Loco London Spot Price

The loco London spot prices are the bases for virtually all transactions in rhodium. They are quotations made by dealers based on U.S. dollars per ounce for rhodium. Settlement and delivery is two good business days in London after the day of the deal.

A good business day is one in which banks are open in London. If the “normal” spot value date falls on a day when the New York U.S. dollar clearing system is closed, then the spot day moves forward one day.

Settlement Credit Risk

Since London is either five or four hours (depending on the time of the calendar year) ahead of New York and the cut-off time for loco London rhodium transfer instructions is 15:00 London time, credit exposure arises between the parties to a rhodium spot transaction against U.S. dollars. The seller of rhodium will not have absolute confirmation that the countervalue in currency has been received in their New York U.S. dollar account before having to release the rhodium to their counterpart in London. This credit risk is similar to that created by settlement of a foreign exchange transaction, for example euros versus U.S. dollars.

Vaulting

Certain members of the London rhodium market either use their own vaults for the storage of physical precious metals or have the dedicated use of storage facilities with another party. Costs for storage and insurance of precious metals are subject to negotiation.

Description of Physical Rhodium

Properties

Rhodium has a very recent history, unlike gold and silver, which have been known since the earliest civilisations. Rhodium was isolated as a separate metal about 200 years ago. Rhodium has excellent catalytic properties.

Major producers

The major producers of rhodium are South Africa, Russia, Zimbabwe, Canada and the United States.

Major uses

Autocatalytic applications account for nearly 80 per cent. of total rhodium usage. The metal has also become increasingly important to the glass manufacturing sector where it is used in the tooling for flat screen and LCD displays.

The following paragraph outlines an indicative but not an exhaustive specification of Rhodium that will be kept with the Custodian and / or the Sub Custodian.

Compound: Rhodium Sponge

Appearance: Grey powder and free flowing

Metal content: Minimum 99.90 per cent. rhodium

Impurities: All figures as detected by ICP MS with respect to rhodium

Total metallic impurities: 1000 ppm maximum

Loss on Ignition (LOI) / Boil-Out Reduction Loss (BORL): Maximum 0.05 per cent. by weight

Acceptable brands: All London Platinum and Palladium Market (LPPM) platinum refiners as listed on www.lppm.com and (i) Xstrata and (ii) Vale.

MASTER TERMS AND CONDITIONS OF THE ETC SECURITIES

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Final Terms, shall be applicable to the ETC Securities. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the relevant Final Terms or (ii) these terms and conditions as so completed, 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 disapplied or deleted in the relevant Final Terms shall be deemed to be deleted from these terms and conditions; and all provisions of these terms and conditions which are inapplicable to the ETC Securities (including instructions, explanatory notes and text set out in square brackets) shall be deemed to be deleted from these terms and conditions, as required to give effect to the terms of the relevant Final Terms. References in these terms and conditions to “ETC Securities” are to the ETC Securities of one Series only, not to all ETC Securities that may be issued under the Programme.

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

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

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

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

1 Definitions

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

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

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

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

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

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

“Aggregate Final Metal Entitlement” has the meaning given to it in Condition 8.

“Aggregate Metal Sold” has the meaning given to it in Condition 8.

“amount” with respect to (i) an amount of Metal; (ii) an amount of unallocated Metal; and (iii) an amount of Underlying Metal, means a quantity of Metal, unallocated Metal and Underlying Metal (respectively) expressed as a number of Trading Units.

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

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

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

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

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

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

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

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

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

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

“Average Metal Sale Price” has the meaning given to it in Condition 8.

“Balancing Agreement” means the balancing agreement dated as of the Series Issue Date of the ETC Securities entered into by the Issuer and the Programme Counterparty by execution of the Issue Deed, as such Balancing Agreement is amended, supplemented, novated or replaced from time to time.

“Balancing Agreement Early Termination Date” has the meaning given to it in Condition 8(d)(ii).

“Balancing Agreement Event of Default” has the meaning given to it in Condition 8(d)(ii)(A).

“Balancing Agreement Illegality” has the meaning given to it in Condition 8(d)(ii)(B)(I).

“Balancing Agreement Optional Termination Notice” has the meaning given to it in Condition 8(d)(ii)(C).

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

“Balancing Agreement Tax Event” has the meaning given to it in Condition 8(d)(ii)(B)(II).

“Balancing Agreement Termination Event” has the meaning given to it in Condition 8(d)(ii)(B).

“Balancing Agreement Termination Notice” has the meaning given to it in Condition 8(d)(ii).

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

“Base Fee Percentage” has the meaning given to it in Condition 5.

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

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

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

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

“**Business Day**” means each day that is a London Business Day [*To be specified in Final Terms* – and a General Business Day in [●]].

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

“**Buy-Back Redemption Amount**” means, in respect of a purchase of ETC Securities by the Issuer and the related Buy-Back Settlement Date, an amount of unallocated Metal determined by the Determination Agent as being equal to the product of the Metal Entitlement per ETC Security in respect of the relevant Buy-Back Trade Date and the aggregate number of ETC Securities to be purchased pursuant to the relevant Buy-Back Order.

“**Buy-Back Settlement Date**” means, subject to Condition 9(d), the third Business Day after the related Buy-Back Trade Date.

“**Buy-Back Trade Date**” means, subject to Condition 9(d), a Business Day on which a Buy-Back Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the Authorised Participant Agreement.

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

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

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

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

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

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

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

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

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

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

“**Custody Agreement for Secured Accounts**” means the custody agreement for secured accounts dated on or about the Series Issue Date of the ETC Securities entered into by the Issuer and the

Secured Account Custodian and any other parties thereto by the execution of the Issue Deed and in the form of the Master Custody Terms for Secured Accounts (as amended and/or supplemented by the Issue Deed) and as such Custody Agreement for Secured Accounts is amended, supplemented, novated or replaced from time to time.

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

“Day Count Fraction” has the meaning given to it in Condition 5.

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

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

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

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

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

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

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

[If FX Hedged ETC Securities, text will apply or be inserted – “Disrupted Daily FX Percentage” has the meaning given to it in Condition 9(e)(ii)(B).]

“Disrupted Day” means a Business Day in respect of which a Disruption Event Notice has been delivered by the Programme Counterparty and/or the Determination Agent.

[If FX Hedged ETC Securities, text will apply or be inserted – “Disrupted FX Percentage” has the meaning given to it in Condition 9(e)(ii)(C).]

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

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

“Early Metal Redemption Amount” has the meaning given to it in Condition 8.

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

“Early Redemption Date” has the meaning given to it in Condition 8.

“Early Redemption Disposal Period” has the meaning given to it in Condition 8.

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

“Early Redemption Valuation Date” has the meaning given to it in Condition 8.

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

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

“Eligible Counterparty” means any bank or financial institution (which for these purposes shall include any leading dealer or broker in precious metals and foreign exchange transactions) incorporated, domiciled and regulated in an OECD country with a rating equal to the Eligible Counterparty Threshold Rating or higher (or the equivalent rating from any other Rating Agency) or having the benefit of an enforceable guarantee from an Affiliate with a rating equal to the Eligible Counterparty Threshold Rating or higher (or the equivalent rating from any other Rating Agency).

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

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

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

“Eligible Metal Agent” means any bank or financial institution (which for these purposes shall include any leading dealer or broker in precious metals and foreign exchange transactions) incorporated, domiciled and regulated in an OECD country with a rating equal to the Eligible Metal Agent Threshold Rating or higher (or the equivalent rating from any other Rating Agency) or having the benefit of an enforceable guarantee from an Affiliate with a rating equal to the Eligible Metal Agent Threshold Rating or higher (or the equivalent rating from any other Rating Agency).

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

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

“ETC Securities Balancing Agreement Redemption Event” has the meaning given to it in Condition 8(d)(ix).

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

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

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

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

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

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

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

“**Final Metal Redemption Amount**” has the meaning given to it in Condition 8.

“**Final Observation Date**” means the Final Redemption Valuation Date in respect of the relevant Series of ETC Securities or, if earlier, the Early Termination Date of the relevant Balancing Agreement or any other date that is also an Early Redemption Valuation Date in respect of the relevant Series of ETC Securities.

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

“**Final Redemption Disposal Period**” has the meaning given to it in Condition 8.

“**Final Redemption Valuation Date**” has the meaning given to it in Condition 8.

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

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

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

*[If FX Hedged ETC Securities, text will or be inserted – “**FX Disruption Event**” has the meaning given to it in Condition 9(a).]*

*[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Factor**” has the meaning given to it in Condition 5.]*

*[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Forward Reference Level**” has the meaning given to it in Condition 5.]*

*[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Forward Reference Level Source**” has the meaning given to it in Condition 5.]*

*[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Hedged ETC Securities**” means, in respect of a Series of ETC Securities, that the Metal Entitlement per ETC Security is hedged against movements in the exchange rate between the currency of such Series and the currency of the Metal Reference Price.]*

[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Hedging Fee Percentage**” has the meaning given to it in Condition 5.]

[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Level Source Disruption**” has the meaning given to it in Condition 9(a).]

[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Percentage**” has the meaning given to it in Condition 5.]

[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Spot Reference Level**” has the meaning given to it in Condition 5.]

[If FX Hedged ETC Securities, text will apply or be inserted – “**FX Spot Reference Level Source**” has the meaning given to it in Condition 5.]

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

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

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

[If Metal is Gold, text will apply or be inserted – “**Gold**” means (i) allocated gold bars complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and (ii) a contractual obligation against the Secured Account Custodian or the Subscription Account Custodian (as applicable) to transfer an amount of gold complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect not including Gold included under (i) above.]

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

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

“**Initial Metal Entitlement per ETC Security**” means:

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

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

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

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

- (i) on the Series Issue Date, the Issue Price per ETC Security [*To be specified in Final Terms* – [is][was]] an amount equal to the product of [*If ETC Securities are not FX Hedged ETC Securities, text will apply or be inserted* – (A) the Initial Metal Entitlement per ETC Security; and (B) the Metal

Reference Price with respect to the Series Issue Date] *[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – (A) the Initial Metal Entitlement per ETC Security; (B) the Metal Reference Price with respect to the Series Issue Date; and (C) the FX Spot Reference Level with respect to the Series Issue Date]; and*

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

“Issuer” means DB ETC plc, a public limited liability company incorporated in Jersey with registration number 103781.

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

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

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

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

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

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

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

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

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

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

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

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

“LPPM” means The London Platinum and Palladium Market and any successor thereto.

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

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

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

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

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

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

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

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

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

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

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

“Maturity Postponement Notice” has the meaning given to it in Condition 9(c)(iii).

“Maximum Base Fee Percentage” has the meaning given to it in Condition 5 (in the definition of Base Fee Percentage).

[*If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “Maximum FX Hedging Fee Percentage”* has the meaning given to it in Condition 5 (in the definition of FX Hedging Fee Percentage).]

“Metal” means [*To be specified in Final Terms – [Gold][Silver][Platinum][Palladium][Rhodium]*].

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

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

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

similar official of either the entity or all or substantially all 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 and/or (ii) an ISDA Credit Derivatives Determinations Committee announces that it has resolved that a Bankruptcy Credit Event (as defined in the 2003 ISDA Credit Derivatives Definitions (as supplemented from time to time)) has occurred with respect to the Metal Agent.

[If FX Hedged ETC Securities, text will apply or be inserted – “**Metal Currency**” means, in relation to this Series of ETC Securities [To be specified in Final Terms – •].]

“**Metal Disrupted Day**” has the meaning given to it in Condition 9(e)(ii).

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

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

“**Metal Price Adjustment Factor**” has the meaning given to it in Condition 5.

“**Metal Reference Price**” has the meaning given to it in Condition 5.

“**Metal Reference Price Source**” has the meaning given to it in Condition 5.

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

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

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

“**Net Sale Proceeds**” has the meaning given to it in Condition 8.

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

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

“**Observation Date**” means each Scheduled Observation Date, but with the last Observation Date being the Final Observation Date, provided that if any such date is not a Scheduled Valuation Day, the related Observation Date shall be the next following Scheduled Valuation Day.

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

“**Ogier**” means Ogier, a legal partnership in Jersey whose business address is at Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands.

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

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

[*If Metal is Palladium, text will apply or be inserted* – “**Palladium**” means (i) allocated palladium plates or ingots complying with the rules of the LPPM relating to good delivery and purity from time to time in effect; and (ii) a contractual obligation against the Secured Account Custodian or the Subscription Account Custodian (as applicable) to transfer an amount of palladium complying with the rules of the LPPM relating to good delivery and purity from time to time in effect not including Palladium included under (i) above.]

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

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

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

[*If Metal is Platinum, text will apply or be inserted* – “**Platinum**” means (i) allocated platinum plates or ingots complying with the rules of the LPPM relating to good delivery and purity from time to time in effect; and (ii) a contractual obligation against the Secured Account Custodian or the Subscription Account Custodian (as applicable) to transfer an amount of platinum complying with the rules of the

LPPM relating to good delivery and purity from time to time in effect not including Platinum included under (i) above.]

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

“Price Source” means [*If not FX Hedged ETC Securities, text will apply or be inserted – the Metal Reference Price Source*] [*If FX Hedged ETC Securities, text will apply or be inserted – with respect to (a) the Metal Reference Price, the Metal Reference Price Source; (b) the FX Spot Reference Level, the FX Spot Reference Level Source; or (c) the FX Forward Reference Level, the FX Forward Reference Level Source*].

“Price Source Disruption” means the occurrence of a Metal Reference Price Source Disruption [*If FX Hedged ETC Securities, text will apply or be inserted – or an FX Level Source Disruption*].

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

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

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

“Product Fee Deduction Factor” has the meaning given to it in Condition 5.

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

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

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

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

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

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

“Programme Proposal Agreement” means the programme proposal agreement dated on or about 28 May 2010 entered into by the Issuer and the Arranger as amended, supplemented, novated or replaced from time to time pursuant to which the Arranger agrees to pay to the Issuer certain fees payable by the Issuer and certain other overheads of the Issuer in connection with the establishment of the Programme and the issue of Series of ETC Securities thereunder.

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

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

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

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

“Redemption Disposal Period” has the meaning given to it in Condition 8.

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

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

“**Relevant Association**” means [If Metal is gold or silver, text will apply or be inserted – the LBMA.][If Metal is platinum or palladium, text will apply or be inserted – the LPPM] [If Metal is rhodium, text will apply or be inserted – not applicable].

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

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

“**Relevant Disrupted Day**” has the meaning given to it in Condition 9(c)(iii).

“**Relevant Metal Disrupted Day**” has the meaning given to it in Condition 9(e)(ii)(A).

“**Relevant Price**” has the meaning given to it in Condition 10.

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

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

“**Reserve Trust Account**” means an account in the name of the Issuer with Ogier referencing the Programme.

[If Metal is Rhodium, text will apply or be inserted – “**Rhodium**” means (i) allocated rhodium sponge with a fineness of 999 parts per 1,000 refined by any LPPM platinum refiner as listed on www.lppm.com or any other refiner acceptable to the Secured Account Custodian and (ii) a contractual obligation against the Secured Account Custodian or the Subscription Account Custodian (as applicable) to transfer an amount of rhodium refined in accordance with (i) above.]

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

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

“**Scheduled Early Redemption Date**” has the meaning given to it in Condition 8 (in the definition of Early Redemption Date).

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

“**Scheduled Observation Date**” means [To be specified in Final Terms – [●]].

“**Scheduled Valuation Day**” means the Series Issue Date and each day thereafter that is a Business Day and is not a Disrupted Day.

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

“**Secured Account**” means the Secured Unallocated Account and the Secured Allocated Account held in the name of the Issuer with the Secured Account Custodian in respect of this Series of ETC Securities.

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

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

“Secured Agent Rights” means the rights and interest of the Issuer in and under the Agency Agreement, the Metal Agent Agreement, the Custody Agreement for Secured Accounts, the Custody Agreement for the Subscription Account, any Sub-Custody Agreements (if any), the Determination Agent Agreement, the Authorised Participant Agreement and the rights, title and interest of the Issuer in all property, assets and sums derived from such agreements.

“Secured Allocated Account” means the allocated Metal account held in the name of the Issuer with the Secured Account Custodian in respect of this Series of ETC Securities.

“Secured Assets” means (i) the Underlying Metal; (ii) all property, assets and sums held by the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* – or, as the case may be, the Registrar] and/or the Secured Account Custodian and/or the Metal Agent in connection with the ETC Securities and/or any Transaction Document (for the avoidance of doubt, not including any unallocated Metal standing to the credit of the Subscription Account which does not form part of the Underlying Metal), and (iii) any other property, assets and/or sums which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Security Deed.

“Secured Balancing Agreement Rights” means the rights and interest of the Issuer in and under the Balancing Agreement.

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

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

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

“Secured Unallocated Account” means the unallocated Metal account held in the name of the Issuer with the Secured Account Custodian in respect of this Series of ETC Securities (which for the avoidance of doubt is not the Subscription Account).

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

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

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

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

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

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

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

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

“Series Overheads” means:

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

[*If Metal is Silver, text will apply or be inserted – “Silver”* means (i) allocated silver bars complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect; and (ii) a contractual obligation against the Secured Account Custodian or the Subscription Account Custodian (as applicable) to transfer an amount of silver complying with the rules of the LBMA relating to good delivery and fineness from time to time in effect not including silver included under (i) above.]

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

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

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

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

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

“**Subscription Account**” means the unallocated Metal account held in the name of the Issuer with the Subscription Account Custodian in respect of this Series of ETC Securities holding unallocated Metal deposited by Authorised Participants with respect to Subscription Orders in respect of which the related issue of ETC Securities to the relevant Authorised Participant has not yet occurred.

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

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

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

“**Subscription Settlement Amount**” means, in respect of a subscription for ETC Securities and the related Subscription Settlement Date, an amount of unallocated Metal determined by the Determination Agent as being equal to the product of the Initial Metal Entitlement per ETC Security in respect of the relevant Subscription Trade Date and the aggregate number of ETC Securities to be issued pursuant to the relevant Subscription Order.

“**Subscription Settlement Date**” means, subject to Condition 9(d), the third Business Day after the Subscription Trade Date.

“Subscription Trade Date” means, subject to Condition 9(d), a Business Day on which a Subscription Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the Authorised Participant Agreement.

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

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

“Suspension Event” means that (i) the Issuer has delivered a notice in writing to the Determination Agent, the Issuing and Paying Agent, the Lead Authorised Participant and each Authorised Participant (copied to each other Transaction Party) stating that with effect from the date specified in such notice subscriptions of the ETC Securities shall be suspended; 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.

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

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

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

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

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

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

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

“Trading Unit” has the meaning given to it in Condition 8.

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

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

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

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

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

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

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

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

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

“Underlying Metal” means (i) all Metal recorded and identified in the Secured Allocated Account and recorded in the Secured Unallocated Account; and (ii) any Metal recorded in the Subscription Account in relation to a Subscription Settlement Amount in respect of which the Subscription Order has been settled by the issue of ETC Securities to the relevant Authorised Participant but which has not yet been transferred to the Secured Accounts.

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

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

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

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

“VAT” means value added tax chargeable in accordance with (but subject to derogations from) Council Directive 2006/112/EC, any other tax of a similar fiscal nature and any other form of tax levied by reference to added value or sales, and any similar tax charged from time to time in substitution for or in addition to any of the above.

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

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

2 Form and Title

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

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

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

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

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

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

3 Transfers

(a) Transfers

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

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

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

procedures as they determine necessary in relation to the transfer of ETC Securities and shall as soon as reasonably practicable give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

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

(b) Transfer Free of Charge

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

(c) Closed Periods

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

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

3 Exchange

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

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

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

4 Constitution and Status

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

5 Metal Entitlement per ETC Security and Value per ETC Security

For the purposes of this Condition 5, the following terms have the meanings as set out below:

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

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

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

[*If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “FX Factor”* means, in respect of a Scheduled Valuation Day, an amount calculated by the Determination Agent equal to:

- (i) one; plus
- (ii) the FX Percentage multiplied by the Metal Price Adjustment Factor.]

[*If FX Hedged ETC Securities, text will apply or be inserted – “FX Forward Reference Level”* means, in respect of any calendar day, the forward rate, expressed in the Specified Currency, and [*To be specified in Final Terms – [displayed on the FX Forward Reference Level Source for the corresponding Metal Fixing Time (or any other time specified in the relevant Final Terms) on that day as being the rate for a forward exchange of an amount of the Specified Currency for one unit of the Metal Currency (or, if the currency exchange rate is expressed as the rate for the exchange of an amount of the Metal Currency per one unit of the Specified Currency, the inverse of such rate), as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty][insert if other]*].

[*If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “FX Forward Reference Level Source”* means [*To be specified in Final Terms – [Bloomberg Page BFIX under the heading [●/●] and term S/N][insert if other]*].

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

accordance with Condition 19 from time to time). The FX Hedging Fee Percentage as at the [To be specified in Final Terms - Series Issue Date/Issue Date] is [To be specified in Final Terms – ●].]

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “**FX Percentage**” means, subject to Condition 9(e), in respect of a Scheduled Valuation Day, an amount calculated by the Determination Agent equal to:

- (i) (A) the FX Forward Reference Level in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day; divided by
 - (B) the FX Spot Reference Level in respect of the relevant Scheduled Valuation Day, minus
- (ii) one.]

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “**FX Spot Reference Level**” means, in respect of a Scheduled Valuation Day, the currency exchange rate, expressed in the Specified Currency, and [To be completed/specified in Final Terms – [displayed on the FX Spot Reference Level Source for the corresponding Metal Fixing Time (or any other time specified in the relevant Final Terms) on such Scheduled Valuation Day as being the rate for the exchange of an amount of the Specified Currency per one unit of the Metal Currency (or, if the currency exchange rate is expressed as the rate for the exchange of an amount of the Metal Currency per one unit of the Specified Currency, the inverse of such rate), as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty][insert if other].]

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted – “**FX Spot Reference Level Source**” means [To be specified in Final Terms – [Bloomberg Page BFIX under the heading [●/●] and term SPOT][insert if other].]

“**Metal Fixing Time**” means [to be specified in the Final Terms].

[If ETC Securities are FX Hedged ETC Securities, text will apply if or be inserted – “**Metal Price Adjustment Factor**” means, in respect of a Scheduled Valuation Day, an amount calculated by the Determination Agent equal to:

- (i) the Metal Reference Price in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day; divided by
- (ii) the Metal Reference Price on the relevant Scheduled Valuation Day.]

“**Metal Reference Price**” means, in respect of a Scheduled Valuation Day, the price of the Metal [To be specified in Final Terms – [displayed on the Metal Reference Price Source corresponding to the Metal Fixing Time on such Scheduled Valuation Day, as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty][insert if other].]

“**Metal Reference Price Source**” means [To be specified in Final Terms – [Bloomberg Page BBG under the heading [GOLDLNPM][SLVRLN][PLTMLNPM][PLDMLNPM][insert if other].]

“**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 [If not FX Hedged ETC Securities, text will apply or be inserted – the Base Fee Percentage][If FX Hedged ETC Securities, text will apply or be inserted – the sum of the Base Fee Percentage and the FX Hedging Fee Percentage].

(a) Determination and Publication of Metal Entitlement per ETC Security and Value per ETC Security

Subject to Condition 9(e), the Determination Agent shall determine the Metal Entitlement per ETC Security in accordance with Condition 5(b) in respect of each Scheduled Valuation Day during the term of the ETC Securities up to (and including) the earlier to occur of the Early Redemption Valuation Date and the Final Redemption Valuation Date and notify its determination of the Metal Entitlement per ETC Security in respect of a Scheduled Valuation Day to the Issuer, the Trustee, the Programme Counterparty and the Issuing and Paying Agent by no later than 14:00 London time on the immediately following Scheduled Valuation Day.

Subject to Condition 9(e), the Determination Agent shall determine the Value per ETC Security in accordance with Condition 5(c) in respect of each Scheduled Valuation Day during the term of the ETC Securities up to (but excluding) the earlier to occur of the Early Redemption Valuation Date and the Final Redemption Valuation Date and notify its determination of the Value per ETC Security in respect of a Scheduled Valuation Day to the Issuer, the Trustee, the Programme Counterparty and the Issuing and Paying Agent by no later than 14:00 London time on the immediately following Scheduled Valuation Day.

Subject to Condition 9(e), the Issuer shall publish the Metal Entitlement per ETC Security and the Value per ETC Security notified to it by the Determination Agent in respect of a Scheduled Valuation Day by no later than 16:00 London time on the immediately following Scheduled Valuation Day on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time).

(b) Metal Entitlement per ETC Security

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

(i) if the Scheduled Valuation Day is the Series Issue Date, the Metal Entitlement per ETC Security in respect of the Series Issue Date shall be equal to the Initial Metal Entitlement per ETC Security;

(ii) *[If ETC Securities are not FX Hedged ETC Securities, text will apply or be inserted –*

subject to Condition 9(e), in relation to any other Scheduled Valuation Day, the Metal Entitlement per ETC Security in respect of such Scheduled Valuation Day shall be an amount calculated by the Determination Agent equal to:

(A) the Metal Entitlement per ETC Security in respect of the immediately preceding Scheduled Valuation Day; multiplied by

(B) the Product Fee Deduction Factor.

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

$$E_t = E_{t-1} \times (1 - PFP \times YF(t))$$

Where:

“ E_t ” means Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day;

“ E_{t-1} ” means Metal Entitlement per ETC Security in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“**PPF**” means the Product Fee Percentage; and

“**YF(t)**” means an amount equal to:

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

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted –

subject to Condition 9(e), in relation to any other Scheduled Valuation Day, the Metal Entitlement per ETC Security in respect of such Scheduled Valuation Day shall be an amount calculated by the Determination Agent equal to:

- (A) the Metal Entitlement per ETC Security in respect of the immediately preceding Scheduled Valuation Day; multiplied by
- (B) the Product Fee Deduction Factor; multiplied by
- (C) the FX Factor.

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

$$E_t = E_{t-1} \times \left[1 + \left(\frac{F(t-1,t)}{S_t} - 1 \right) \times \frac{M_{t-1}}{M_t} \right] \times (1 - PFP \times YF(t))$$

Where:

“**E_t**” means Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day;

“**E_{t-1}**” means Metal Entitlement per ETC Security in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“**F(t-1,t)**” means an amount equal to the FX Forward Reference Level in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“**M_t**” means the Metal Reference Price on the relevant Scheduled Valuation Day;

“**M_{t-1}**” means the Metal Reference Price in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“**S_t**” means an amount equal to the FX Spot Reference Level in respect of the relevant Scheduled Valuation Day;

“**PPF**” means the Product Fee Percentage; and

“**YF(t)**” means an amount equal to:

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

(c) **Value per ETC Security**

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

[If ETC Securities are not FX Hedged ETC Securities, text will apply or be inserted –

- (i) the Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day (the Value per ETC Security as of the Issue Date is equal to the Issue Price per ETC Security); multiplied by
- (ii) the Metal Reference Price in respect of the relevant Scheduled Valuation Day.

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

$$VpS_t = E_t \times M_t$$

Where:

“**VpS_t**” means the Value per ETC Security in respect of the relevant Scheduled Valuation Day (the Value per ETC Security of the Issue Date is equal to the Issue Price per ETC Security);

“**E_t**” means Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day; and

“**M_t**” means the relevant Metal Reference Price on the relevant Scheduled Valuation Day.]

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted –

- (i) the Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day (the Value per ETC Security as of the Issue Date is equal to the Issue Price per ETC Security); multiplied by
- (ii) the Metal Reference Price in respect of the relevant Scheduled Valuation Day; multiplied by
- (iii) the FX Spot Reference Level for the Specified Currency on the relevant Scheduled Valuation Day.

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

$$VpS_t = E_t \times M_t \times S_t$$

Where:

“**VpS_t**” means the Value per ETC Security in respect of the relevant Scheduled Valuation Day (the Value per ETC Security of the Issue Date is equal to the Issue Price per ETC Security);

“**E_t**” means Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day;

“**M_t**” means the relevant Metal Reference Price on the relevant Scheduled Valuation Day; and

“**S_t**” means the relevant FX Spot Reference Level for the Specified Currency on the relevant Scheduled Valuation Day.]

6 Security

(a) Security

- (i) The Secured Issuer Obligations are secured in favour of the Trustee, pursuant to the Security Deed, by:
 - (A) an assignment by way of security of all the Issuer's rights, title, interest and benefit present and future against the Secured Account Custodian, the Subscription Account Custodian and any Sub-Custodian relating to the Underlying Metal in respect of this Series of ETC Securities under the Custody Agreement for Secured Accounts, the Custody Agreement for the Subscription Account and any Sub-Custody Agreements (if any);
 - (B) a first fixed charge over all of the Underlying Metal in respect of this Series of ETC Securities and all sums or assets derived therefrom;
 - (C) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Balancing Agreement, Metal Agent Agreement, Agency Agreement, the Determination Agent Agreement and the Authorised Participant Agreement; and
 - (D) a first fixed charge over (a) all sums and any other property held or received by the Metal Agent relating to the sale of Underlying Metal; and (b) all sums held now or in the future by the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* - and/or the Registrar] and/or the Secured Account Custodian to meet payments due in respect of any Secured Issuer Obligation or Other Issuer Obligation relating to the ETC Securities.
- (ii) The Security is granted to the Trustee as continuing Security for the Secured Issuer Obligations. In accordance with the Security Deed, prior to any enforcement of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities:
 - (A) sums held by the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* - , the Registrar], the Secured Account Custodian and/or the Metal Agent, as applicable, to the extent required for payment of any sum or delivery of any Metal in respect of the ETC Securities and/or under the Transaction Documents which is due and payable to be duly made or immediately deliverable (which for the avoidance of doubt shall include, without limitation, amounts payable in respect of Principal to Securityholders in accordance with these Conditions, amounts which the Metal Agent is permitted to deduct pursuant to Condition 6(d) and Buy-Back Redemption Amounts deliverable to any Authorised Participant by the Issuer);
 - (B) any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6(d), 6(g) and 6(h); and
 - (C) a *pro rata* amount of the Secured Property in connection with the purchase and cancellation of any ETC Securities by the Issuer.

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

- (i) Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a payment of Principal under these Conditions in respect of any ETC Securities becomes due, unconditionally to pay the Trustee (or to the order of the Trustee) in same day funds, in accordance with the Trust Deed, the Final Redemption Amount or Early Redemption

Amount, as applicable, in respect of the ETC Securities which is due and payable on that date. Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (1) payment of Principal due under the ETC Securities pursuant to the Conditions made to the Issuing and Paying Agent in accordance with the terms of the Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of Principal in respect of the ETC Securities to the Trustee for the account of the Securityholders except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (2) a payment of Principal made after the due date or as a result of the ETC Securities becoming repayable following an Event of Default or the occurrence of an Early Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent or the Trustee and notice to that effect has been given to the Securityholders, except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Securityholders (whether via payment through the Relevant Clearing System or otherwise). Under the terms of the Trust Deed, the Trustee holds the benefit of this covenant on trust for itself and the Securityholders according to their respective interests.

(ii) Save for any moneys received in connection with the realisation or enforcement of all or part of the Security, all moneys received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal pursuant to Condition 6(b)(i) will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them, subject to Conditions 20(kk) and 20(ll):

(A) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by or payable to the Trustee under or pursuant to the Transaction Documents (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Trustee's remuneration) required to be paid by the Trustee in connection with the performance of its obligations under the Transaction Documents and the Trustee's remuneration);

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

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

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

(c) Application of Proceeds of Enforcement of Security

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

(i) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee or any receiver under or pursuant to the Security Deed and/or the Trust Deed and/or any other Transaction Document (which for

the purpose of this Condition 6(c) and the Security Deed shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security and the Trustee's remuneration);

- (ii) secondly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the ETC Securities (to the extent not paid to the Issuer or direct to the ultimate payee by the Arranger following the occurrence of an Arranger Bankruptcy Event);
- (iii) thirdly, in payment of any amounts owing to the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* – or the Registrar] for reimbursement in respect of proper payment of Principal made to the relevant holders of ETC Securities;
- (iv) fourthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, any other Paying Agent(s) [*If Uncertificated Registered Securities, text will apply or be inserted* - , the Registrar and the Transfer Agents] pursuant to the Agency Agreement, (II) the Secured Account Custodian pursuant to the Custody Agreement for Secured Accounts and the Subscription Account Custodian pursuant to the Custody Agreement for the Subscription Account, (III) the Determination Agent and the Programme Counterparty pursuant to the Determination Agent Agreement and (IV) the Metal Agent pursuant to the Metal Agent Agreement;
- (v) fifthly, in payment of any amounts owing to the Securityholders *pari passu* and rateably;
- (vi) sixthly, in payment of any amounts owing to the Programme Counterparty under the Balancing Agreement; and
- (vii) seventhly, in payment of the balance (if any) to the Securityholders.

(d) *Liquidation of Underlying Metal following an Early Redemption Event or Final Redemption Event*

- (i) Following the Early Redemption Valuation Date or the Final Redemption Valuation Date, upon the occurrence of the first day of the related Redemption Disposal Period, the Metal Agent shall, acting as agent of the Issuer [*If FX Hedged ETC Securities, text will apply or be inserted* – (x)] realise the Underlying Metal in a timely fashion during the Redemption Disposal Period in accordance with the terms of the relevant Metal Agent Agreement and applicable laws [*If FX Hedged ETC Securities, text will apply or be inserted* – ; and (y) convert proceeds from the realisation of Underlying Metal into the Specified Currency].

The Issuer has authorised and directed the Secured Account Custodian to deliver the Underlying Metal held by the Secured Account Custodian or Sub-Custodian to, or to the order of, the Metal Agent upon the occurrence of the first day of a Redemption Disposal Period, to the extent necessary to effect the realisation of the Underlying Metal. Pursuant to the terms of the Security Deed, the Security described in Condition 6(a) shall automatically be released without further action on the part of the Trustee to the extent necessary to effect the realisation of the Underlying Metal; provided that nothing in this Condition 6(d) shall operate to release the charges and other security interests over the proceeds of the realisation of the Underlying Metal.

In realising the Underlying Metal, the Metal Agent may take such steps as it, acting in a commercially reasonable manner, considers appropriate in order to effect an orderly realisation in a timely fashion (so far as is practicable in the circumstances and taking into account the amount of the Underlying Metal to be realised) during the Redemption Disposal Period, and may effect such realisation at any time or from time to time during the Redemption Disposal Period and may do so in one transaction or in multiple transactions [*If*

FX Hedged ETC Securities, text will apply or be inserted –, provided that the proceeds of the Underlying Metal from each such transaction shall be converted into the Specified Currency using the FX Spot Reference Level on or about the day of such sale]. The Metal Agent will not be liable to the Issuer or to the Trustee, the Securityholders or any other person merely because a higher price could have been obtained had all or part of the realisation been delayed or taken place at a different time or had the realisation not been effected in stages.

The Metal Agent may charge a bid/offer spread in respect of each realisation of the Underlying Metal, provided that such bid/offer spread is representative of the bid/offer spread that would generally arise on a realisation by the Metal Agent of a similar type and for a similar amount of Metal. The Metal Agent shall be permitted to deduct such bid/offer spread and any Taxes arising from or connected with any such realisation from the actual proceeds of the realisation and shall not be liable to account for anything except the actual proceeds of any such realisation received by it after such deductions. The Issuer shall indemnify the Metal Agent for any Taxes arising from or connected with any such realisation which are borne by the Metal Agent and which the Metal Agent has not deducted from the actual proceeds of such realisation.

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

Subject as provided above, in carrying out any realisation, the Metal Agent may sell (A) to itself, or any Affiliate of it, provided that the Metal Agent shall sell at a price which it believes to be a fair market price; and (B) to a member of a Relevant Association, to the extent that a sale to a member of the Relevant Association would minimise the VAT which may be charged, withheld or deducted on the relevant sale as provided above (and thus maximise net realisation proceeds after deduction for the VAT (if any) due thereon) and one or more members of the Relevant Association are willing to purchase the Underlying Metal at a fair market price.

The Metal Agent shall pay the Net Sale Proceeds to the Issuing and Paying Agent on behalf of the Issuer on or around the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable and in any event by not later than 17:00 London time (or such later time as the Issuing and Paying Agent may agree) on the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable, (or by such other time and/or on such other date as may be specified for this purpose in the relevant Issue Deed or as otherwise agreed by the parties to the relevant Metal Agent Agreement).

- (ii) Prior to the enforcement of the Security constituted under the Security Deed, the Issuer (or its agent) shall apply the proceeds of the realisation of the Underlying Metal after taking account of (x) any Taxes incurred, withheld or deducted by or on behalf of the Issuer and (y) any amounts which the Metal Agent is permitted to deduct from the proceeds of the realisation of the Secured Property in accordance with Condition 6(d)(i), as follows:

- (A) first, in payment or satisfaction of all Taxes and other amounts properly incurred by or payable to the Metal Agent (which for the purpose of this Condition 6(d) shall include, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Metal Agent's remuneration) required to be paid by the Metal Agent in connection with the performance of its obligations under these Conditions and/or by the Metal Agent on behalf of the Issuer in connection with the realisation of any Underlying Metal and the bid/offer spread charged by the Metal Agent in realising the Underlying Metal), provided that in no circumstance shall the amount payable to the Metal Agent in accordance with this Condition 6(d)(ii)(A) duplicate any amounts which the Metal Agent has deducted from the proceeds of the realisation of the Secured Property in accordance with Condition 6(d)(i);
- (B) secondly, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee or any receiver under or pursuant to the Security Deed and/or the Trust Deed and/or the other Transaction Documents (including, without limitation, any Taxes required to be paid by the Trustee in connection with the performance of its obligations under the Trust Deed and/or the Security Deed and/or the other Transaction Documents and the Trustee's remuneration);
- (C) thirdly, in payment or satisfaction of the Issuer Series Fees and Expenses in respect of the ETC Securities (to the extent not paid to the Issuer or direct to the ultimate payee by the Arranger following the occurrence of an Arranger Bankruptcy Event);
- (D) fourthly, in payment of any amounts owing to the Issuing and Paying Agent [*If Uncertificated Registered Securities, text will apply or be inserted* – or the Registrar] for reimbursement in respect of proper payment of Principal made to the relevant holders of ETC Securities;
- (E) fifthly, on a *pari passu* basis, in payment of any fees, expenses or other amounts due to (I) the Issuing and Paying Agent, any other Paying Agent(s) [*If Uncertificated Registered Securities, text will apply or be inserted* –, the Registrar and the Transfer Agents] pursuant to the Agency Agreement, (II) the Secured Account Custodian pursuant to the Custody Agreement for Secured Accounts and Subscription Account Custodian pursuant to the Custody Agreement for the Subscription Account, and (III) the Determination Agent and the Programme Counterparty pursuant to the Determination Agent Agreement;
- (F) sixthly, in payment of any amounts owing to the Securityholders *pari passu* and rateably;
- (G) seventhly, in payment of any other amounts owing to the Programme Counterparty under the Balancing Agreement; and
- (H) eighthly, in payment of the balance (if any) to the Securityholders.

(e) Enforcement of Security Constituted Under the Security Deed

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

(f) Realisation of Security

At any time after the Security has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least one-fifth in number of the ETC Securities then

outstanding or by an Extraordinary Resolution of the Securityholders, in each case subject to it having been pre-funded and/or secured and/or indemnified to its satisfaction by the Securityholders, enforce the Security constituted under the Security Deed.

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

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

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

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

(g) *Shortfall after Application of Proceeds*

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

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

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

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

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

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

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

7 Restrictions

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

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

the relevant Trust Deed, the relevant Security Deed, any other Transaction Document or otherwise under any agreement entered into in relation to any Series of ETC Securities or any Secured Property relating to any such Series; and

- (F) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- (ii) cause or permit the Balancing Agreement or the terms of the Security granted under the Security Deed and the order of priority specified in the Conditions, the Trust Deed and the Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Deed, Balancing Agreement and/or the Conditions relating to such Series of ETC Securities);
- (iii) release any party to the Balancing Agreement, the relevant Trust Deed, the relevant Security Deed or any other relevant Transaction Document relating to a Series of ETC Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Deed, Balancing Agreement and/or the Conditions relating to such Series of ETC Securities);
- (iv) have any subsidiaries;
- (v) sell, transfer or otherwise dispose of the Secured Property in respect of any Series of ETC Securities or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant ETC Securities of any such Series and any other Transaction Document relating to any such Series as may be applicable;
- (vi) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the Balancing Agreement, the Conditions, the relevant Trust Deed, the relevant Security Deed or any other Transaction Document relating to any Series of ETC Securities (other than as contemplated by the Conditions and the relevant Transaction Documents);
- (vii) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the relevant Trust Deed and the Conditions for any Series of ETC Securities);
- (viii) have any employees;
- (ix) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation and which are held on charitable trust by the subscribers currently being Ogier Nominees (Jersey) Limited and Reigo Nominees (Jersey) Limited) or make any distribution to its shareholders;
- (x) open or have any interest in any account with a bank or financial institution other than the Reserve Trust Account unless such account (A) relates to a Series of ETC Securities, a Custody Agreement for Secured Accounts or Custody Agreement for the Subscription Account, the Balancing Agreement or any Secured Property relating to a Series of ETC Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the relevant Trustee so as to form part of the relevant Secured Property relating to such Series of ETC Securities or (B) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- (xi) declare any dividends, other than an annual dividend payable to the shareholder(s) of the Issuer in the aggregate amount of GBP 1,000;

- (xii) purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (xiii) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (xiv) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (xv) except as contemplated by any relevant Transaction Document and/or the Conditions relating to a Series of ETC Securities, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Series of ETC Securities, to any other entity or person;
- (xvi) subject as provided in (i) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 and 18) issuing further ETC Securities under the Programme (which may or may not form a single series with the ETC Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such ETC Securities, provided that:
 - (A) such further ETC Securities and obligations are secured on assets of the Issuer other than (I) the Secured Property relating to any other Series of ETC Securities and (II) the Issuer's share capital;
 - (B) such further ETC Securities and obligations are secured *pari passu* upon the Secured Property relating to the Series of ETC Securities with which such ETC Securities are to form a single series (as such Secured Property may be increased in connection with the issue of such further securities), all in accordance with Condition 18 of the relevant Series of ETC Securities; and
 - (C) if further ETC Securities which are to form a single series with the ETC Securities are being issued, the relevant Authorised Participant has transferred to or to the order of the Issuer an amount of Metal in respect of each further ETC Security equal to the Metal Entitlement per ETC Security on the relevant Subscription Trade Date; or
- (xvii) permit or cause any Underlying Metal to be transferred out of a Secured Account other than a transfer made (1) in accordance with the Issuer's obligations under the Balancing Agreement; (2) to an Authorised Participant in connection with the settlement of a Buy-Back Order; or (3) to the Metal Agent following an Early Redemption Valuation Date or Final Redemption Valuation Date in accordance with Condition 6(d) and the relevant Metal Agent Agreement,

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

8 Redemption, Purchase and Options

For the purposes of this Condition 8, the following terms have the meanings as set out below:

"Aggregate Final Metal Entitlement" means, in respect of a Final Redemption Valuation Date or Early Redemption Valuation Date, the product of (i) the Metal Entitlement per 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 ETC Securities outstanding, in each case as at such date.

"Aggregate Metal Sold" means, in respect of a Redemption Disposal Period, the aggregate number of Trading Units of Underlying Metal sold by the Metal Agent during the Redemption Disposal Period. The

Metal Agent will notify the Issuer, the Determination Agent, the Issuing and Paying Agent and the Trustee of the number of Trading Units of Underlying Metal sold by the Metal Agent as soon as reasonably practicable following each sale, and in any event no later than the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable, of Underlying Metal during the Redemption Disposal Period and will notify the Issuer, the Determination Agent, the Issuing and Paying Agent and the Trustee of the Aggregate Metal Sold as soon as reasonably practicable following the last day during the Redemption Disposal Period on which Underlying Metal is sold, and in any event no later than the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable.

“Average Metal Sale Price” means a price denominated in the Specified Currency determined by the Determination Agent as being equal to:

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

provided that if the Aggregate Final Metal Entitlement exceeds the Aggregate Metal Sold, then for the purposes of calculating the Average Metal Sale Price only, such excess shall be deemed to have been sold by the Metal Agent at the last available Metal Reference Price as at the last day of the Redemption Disposal Period [*If FX Hedged ETC Securities, text will apply or be inserted* – and converted into the Specified Currency at the FX Spot Reference Level with respect to such day (or, if no FX Spot Reference Level is available with respect to such day, the last available FX Spot Reference Level)], as determined by the Determination Agent.

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

“Early Redemption Date” means, subject to postponement in accordance Condition 9(c), the earlier of: (a) five Business Days after the first day on which all Underlying Metal held by or on behalf of the Issuer in respect of Series of the ETC Securities has been sold by the Metal Agent in accordance with the terms of the Metal Agent Agreement; and (b) the 45th calendar day following the Early Redemption Valuation Date (with such 45th calendar day being the **“Scheduled Early Redemption Date”**).

“Early Redemption Disposal Period” means, subject to Condition 9(c), the period from (and including) the date falling four Scheduled Valuation Days after the Early Redemption Valuation Date to (but excluding) the date falling five Business Days prior to the Scheduled Early Redemption Date.

“Early Redemption Valuation Date” means, subject to Condition 9(c):

- (i) in relation to an Early Redemption Event the date of the occurrence of the Early Redemption Event as specified in Condition 8(c) or 8(d), as applicable; and
- (ii) in relation to an Event of Default, the date of the notice from the Trustee given to the Issuer and the Programme Counterparty pursuant to Condition 14;

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

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

“Final Redemption Disposal Period” means, subject to Condition 9(c), the period from (and including) the date falling four Scheduled Valuation Days after the Final Redemption Valuation Date to (but excluding) the date falling five Business Days prior to the Scheduled Maturity Date.

“Final Redemption Valuation Date” means, subject to Condition 9(c), the day falling 45 calendar days prior to the Scheduled Maturity Date being [*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.

[*If FX Hedged ETC Securities, text will apply or be inserted – “FX Forward Reference Level”* has the meaning given to it in Condition 5.]

[*If FX Hedged ETC Securities, text will apply or be inserted – “FX Spot Reference Level”* has the meaning given to it in Condition 5.]

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

“Metal Reference Price” has the meaning given to it in Condition 5.

“Net Sale Proceeds” means an amount notified by the Metal Agent to the Issuer, the Determination Agent, the Issuing and Paying Agent and the Trustee as soon as reasonably practicable following the last day during the Redemption Disposal Period on which Underlying Metal is sold, and in any event no later than the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable, which is denominated in the Specified Currency and equal to (i) the proceeds of the sale of Underlying Metal in accordance with Condition 6(d) [*If FX Hedged ETC Securities, text will apply or be inserted –* (for the avoidance of doubt, converted into the Specified Currency)] less (ii) all amounts which the Metal Agent is entitled to deduct from the proceeds of sale in accordance with Condition 6(d). The Metal Agent will also notify the Issuer, the Determination Agent, the Issuing and Paying Agent and the Trustee of the sale proceeds of each sale of Underlying Metal as soon as reasonably practicable following each sale and in any event no later than the day falling two Business Days prior to the Scheduled Maturity Date or the Early Redemption Date, as applicable.

“Redemption Disposal Period” means in respect of a determination of (i) the Final Metal Redemption Amount, the Final Redemption Disposal Period; or (ii) the Early Metal Redemption Amount, the Early Redemption Disposal Period.

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

“Trading Unit” means [*If the Metal is Gold, text will apply or be inserted – one fine troy ounce.][If the Metal is Silver, Platinum, Palladium or Rhodium, text will apply or be inserted – one troy ounce.]*

(a) Final Redemption

Unless previously redeemed in whole or purchased and cancelled by the Issuer as provided below, subject to Condition 9(c), each ETC Security shall become due and payable on [*scheduled maturity date of the relevant Series to be specified in Final Terms*] (unless such date is (x) postponed pursuant to a Maturity Postponement Notice, in which case that date will be postponed by the number of days specified in such Maturity Postponement Notice; or (y) not a Business Day, in which case that date will be the first following day that is a Business Day) (the **“Scheduled Maturity Date”**) at its final redemption amount (the **“Final Redemption Amount”**), being an amount per ETC Security determined by the Determination Agent equal to the greater of:

- (i) the Final Metal Redemption Amount; and
- (ii) 10 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the **“Minimum Debt Amount”**).

The Issuer will, on or prior to the Scheduled Maturity Date, publish the determination of the Final Redemption Amount (which shall include publication of the price, volume and date of each sale of Underlying Metal during the Redemption Disposal Period, including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average Metal Sale

Price) on the website maintained on behalf of the Issuer at www.etc.db.com or such other website notified by the Issuer for such Series of ETC Securities from time to time.

The ability of the Issuer to make payment of the Final Redemption Amount is dependent on (A) the Final Metal Redemption Amount being at least equal to the Minimum Debt Amount; and (B) each of the Metal Agent and the Programme Counterparty fulfilling their obligations under the Metal Agent Agreement and Balancing Agreement (respectively).

Provided that the Final Metal Redemption Amount is at least equal to the Minimum Debt Amount, the ability of the Issuer to make payment of the Final Redemption Amount will be dependent on (I) its receipt in full from the Metal Agent of the proceeds of the disposal of the Underlying Metal in accordance with Condition 6(d); (II) the Metal Agent having sold all of the Underlying Metal on or prior to the last day of the Redemption Disposal Period; and (III) the Underlying Metal held by the Issuer as at the first day of the Redemption Disposal Period being at least equal to the Aggregate Final Metal Entitlement.

To the extent any of (I), (II) or (III) above are not satisfied, the provisions of Condition 6 shall apply with respect to the enforcement of the Issuer's rights against the Metal Agent and/or the Programme Counterparty and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 6. If the Issuer's inability to pay the Final Redemption Amount on the Scheduled Maturity Date is solely due to the Final Metal Redemption Amount falling below the Minimum Debt Amount, the Issuer may not have any further rights against the Metal Agent and/or the Programme 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 6(g). As a result of the application of Condition 6(g), the Securityholders may not receive in full the Final Redemption Amount payable in respect of an ETC Security.

(b) Early Redemption Amount

If any of the Early Redemption Events listed in Condition 8(d) occur, subject to Condition 9(c), each ETC Security shall become due and payable on the related Early Redemption Date at its early redemption amount (the "**Early Redemption Amount**") being an amount per ETC Security determined by the Determination Agent equal to the greater of:

- (i) the Early Metal Redemption Amount; and
- (ii) the Minimum Debt Amount (as defined in Condition 8(a)(ii)).

The Issuer will, on or prior to the Early Redemption Date, publish the determination of the Early Redemption Amount (which shall include publication of the price, volume and date of each sale of Underlying Metal during the Redemption Disposal Period, including information on any fees, deductions and/or taxes imposed on such sale, and the determination of the Average Metal Sale Price) on the website maintained on behalf of the Issuer at www.etc.db.com or such other website notified by the Issuer for such Series of ETC Securities from time to time.

The ability of the Issuer to make payment of the Early Redemption Amount is dependent on (A) the Early Metal Redemption Amount being at least equal to the Minimum Debt Amount; and (B) each of the Metal Agent and the Programme Counterparty fulfilling their obligations under the Metal Agent Agreement and Balancing Agreement (respectively).

Provided that the Early Metal Redemption Amount is at least equal to the Minimum Debt Amount, the ability of the Issuer to make payment of the Early Redemption Amount will be dependent on (I) its receipt in full from the Metal Agent of the proceeds of the disposal of the Underlying Metal in accordance with Condition 6(d); (II) the Metal Agent having sold all of the Underlying Metal on or

prior to the last day of the Redemption Disposal Period; and (III) the Underlying Metal held by the Issuer as at the first day of the Redemption Disposal Period being at least equal to the Aggregate Final Metal Entitlement.

To the extent any of (I), (II) or (III) above are not satisfied, the provisions of Condition 6 shall apply with respect to the enforcement of the Issuer's rights against the Metal Agent and/or the Programme Counterparty and the payment of any proceeds of any such enforcement shall be made in accordance with Condition 6. If the Issuer's inability to pay the Early Redemption Amount on the Early Redemption Date is solely due to the Early Metal Redemption Amount falling below the Minimum Debt Amount, the Issuer may not have any further rights against the Metal Agent and/or the Programme 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 6(g). As a result of the application of Condition 6(g), the Securityholders may not receive in full the Early Redemption Amount payable in respect of an ETC Security.

Notwithstanding anything to the contrary in the Conditions or any Transaction Document, if at any time following 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 Early Redemption Date of the ETC Securities as soon as reasonably practicable in accordance with Condition 19.

(c) Issuer Call Redemption Event

The Issuer may, on giving an irrevocable notice to the Programme Counterparty and the Securityholders in accordance with Condition 19, elect to redeem all the ETC Securities of this Series and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 60th calendar day following the date of the relevant notice and shall not be on or after the Final Redemption Valuation Date (such notice an "**Issuer Call Redemption Notice**"). For the purposes of Condition 8(b), an Early Redemption Event in the form of an "**Issuer Call Redemption Event**" will occur on the Early Redemption Valuation Date designated in the Issuer Call Redemption Notice (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 Counterparty and the Securityholders.

(d) Early Redemption Events

Each of the following events shall be an early redemption event (each an "**Early Redemption Event**"):

- (i) on or after the Series Issue Date due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, 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 (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body, the LBMA, the LPPM or any relevant exchange or trading facility) of any applicable law or regulation (including any action taken by a taxing authority), the Issuer may give the Trustee, the Secured Account Custodian, the Subscription Account Custodian, the Determination Agent, the Lead Authorised Participant, the Authorised Participants, the Issuing and Paying Agent, [*If Uncertificated Registered Securities, text will apply or be inserted* – the Registrar,] the Programme Counterparty, the Metal Agent and the Securityholders in accordance with Condition 19 notice that all the ETC Securities of this Series are to be redeemed and designate an Early Redemption Valuation Date for such purposes, provided that the date designated as the Early Redemption Valuation Date shall not be earlier than the 30th calendar day following the date of the relevant notice and shall not be later than the Final Redemption Valuation Date (such notice an “**Issuer Redemption Notice**”), because:

- (A) it has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all or some only of the Underlying Metal, and/or (y) perform its obligations under the ETC Securities and/or the Balancing Agreement; or
- (B) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the ETC Securities and/or the Balancing Agreement (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation).

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

- (ii) a notice of termination (other than a Balancing Agreement Optional Termination Notice) is validly delivered by the Issuer or the Programme Counterparty, as applicable, under the Balancing Agreement following which the Balancing Agreement is to terminate in whole prior to the Scheduled Maturity Date of the ETC Securities (such notice being the “**Balancing Agreement Termination Notice**” and the date of termination being the “**Balancing Agreement Early Termination Date**”). For the purposes of Condition 8(b), an Early Redemption Event in the form of a “**Balancing Agreement Redemption Event**” will occur on such Balancing Agreement Early Termination Date. Set out below is a description of the circumstances and events in which a Balancing Agreement Early Termination Date may be designated or occur.
 - (A) Pursuant to the terms of the Balancing Agreement (to which the Issuer and the Programme Counterparty are the only parties), if one of the following events occurs and is then continuing with respect to a party (each a “**Balancing Agreement Event of Default**”), the other party may deliver a Balancing Agreement Termination Notice to such party and a Balancing Agreement Early Termination Date will occur on the fourth Business Day following the day on which such Balancing Agreement Termination Notice was validly delivered, provided that a Balancing Agreement Termination Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date:
 - (I) *Failure to Pay or Deliver*: failure by the party to make, when due, any delivery or payment required under the Balancing Agreement if such failure is not

remedied on or before the 10th calendar day after notice of such failure is given to the party;

- (II) *Breach of Agreement*: failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any delivery or payment under the Balancing Agreement) to be complied with or performed by the party in accordance with the Balancing Agreement if such failure is not remedied within 30 calendar days after notice of such failure is given to the party;
- (III) *Misrepresentation*: a representation made in the Balancing Agreement proves to have been incorrect or misleading in any material respect when made;
- (IV) *Bankruptcy*: the party (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) in the case of the Programme Counterparty only, becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors (in the case of the Programme Counterparty) or its Securityholders (in the case of the Issuer); (4)(A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it (other than, in the case of the Issuer, by the Programme Counterparty or any of its Affiliates) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (X) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (Y) is not dismissed, discharged, stayed or restrained in each case within 15 calendar days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks (in the case of the Programme Counterparty only) or (in the case of both the Issuer and the Programme Counterparty) becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (other than, in respect of the Issuer, the appointment of a trustee, custodian or similar person for the purpose of an issue of notes or other securities by the Issuer); (7) has a secured party (other than, in the case of the Issuer, the Trustee) take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets (in the case of the Programme Counterparty) or the assets on which the liabilities of the Issuer under the relevant Balancing Agreement are secured pursuant to the Security Deed (in the case of the Issuer) and such secured party (other than, in the case of the Issuer, the Trustee) maintains possession, or any such process is not

dismissed, discharged, stayed or restrained, in each case within 15 calendar days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) above (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

- (V) *Metal Loss or Unauthorised Transfer*: either (x) the Issuer has permitted or caused any Underlying Metal to be transferred out of a Secured Account other than a transfer made (1) in accordance with the Issuer's obligations under the Balancing Agreement; (2) to an Authorised Participant in connection with the settlement of a Buy-Back Order; or (3) to the Metal Agent following an Early Redemption Valuation Date or Final Redemption Valuation Date in accordance with Condition 6(d) and the relevant Metal Agent Agreement; or (y) the Issuer's holdings of Underlying Metal are reduced due to theft, loss, damage, destruction or misdelivery (unless such theft, loss, damage, destruction or misdelivery is the direct result of the negligence, fraud, bad faith or wilful misconduct of the Programme Counterparty acting in any capacity). The occurrence of such an event shall be a Balancing Agreement Event of Default with respect to the Issuer only.

The party delivering a Balancing Agreement Termination Notice in relation to a Balancing Agreement Event of Default shall deliver a copy of such notice to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant).

The Issuer shall give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (B) Pursuant to the terms of the Balancing Agreement (to which the Issuer and the Programme Counterparty are the only parties), if one of the following events occurs and is then continuing with respect to a party (each a "**Balancing Agreement Termination Event**"), such party (or in respect of a Balancing Agreement Tax Event, either party) may deliver a Balancing Agreement Termination Notice to the other party and a Balancing Agreement Early Termination Date will occur on the fourth Business Day following the day on which such Balancing Agreement Termination Notice was validly delivered, provided that a Balancing Agreement Termination Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date:
- (I) *Illegality*: due to an event or circumstance (other than any action taken by a party) occurring after the Series Issue Date, it becomes unlawful under any applicable law (including without limitation the laws of any country in which delivery or compliance is required by either party), on any day, or it would be unlawful if the relevant delivery or compliance were required on that day (in each case, other than as a result of a breach by the party of the requirement under the Balancing Agreement for such party to maintain in full force and effect or obtain all consents of any governmental or other authority that are required to be obtained by it with respect to the Balancing Agreement) for a party to make a delivery required by the Balancing Agreement or to comply with any other material provision of the Balancing Agreement (a "**Balancing Agreement Illegality**");

- (II) *Tax Event*: A party will, or there is a substantial likelihood that it will, on the next date on which a delivery is (1) due to it under the Balancing Agreement, receive a delivery from which an amount is required to be deducted or withheld for or on account of a Tax; or (2) due from or to it under the Balancing Agreement, be liable to account for VAT on such delivery (whether such VAT is recoverable or not) (a “**Balancing Agreement Tax Event**”); or
- (III) *Market Disruption*: With respect to the Programme Counterparty only, if (i) 10 consecutive Business Days are Disrupted Days or (ii) any event in connection with which the Programme Counterparty or any of its Affiliates is (or would be) (X) unable, after using commercially reasonable efforts to: (1) hold, acquire or dispose of Metal or (2) realise, recover or remit the proceeds of Metal; or (Y) required pursuant to a ruling, direction or other instruction of (1) any applicable government, governmental or regulatory body or other relevant institution (including, without limitation, the Commodity Futures Trading Commission, any Commodity Regulatory Body or any Relevant Association) or (2) the board or internal management of the Programme Counterparty or any relevant Affiliate to cease holding, acquiring or disposing of Metal.

The party delivering a Balancing Agreement Termination Notice in relation to a Balancing Agreement Termination Event shall deliver a copy of such notice to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant).

The Issuer shall give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (C) Pursuant to the terms of the Balancing Agreement, provided that no Balancing Agreement Event of Default with respect to the Programme Counterparty has occurred and is continuing and provided that no notice of termination of the relevant Balancing Agreement has already been given in respect of a Balancing Agreement Event of Default or a Balancing Agreement Termination Event, the Programme Counterparty may opt to terminate the Balancing Agreement by delivering a notice to the Issuer stating that it is electing to terminate the Balancing Agreement and specifying the Balancing Agreement Early Termination Date (a “**Balancing Agreement Optional Termination Notice**”). The date designated as the Balancing Agreement Early Termination Date must be on or later than the 60th calendar day after the date of the relevant Balancing Agreement Optional Termination Notice but not later than the Final Redemption Valuation Date (and if the date specified as the Balancing Agreement Early Termination Date is not a Business Day then the Balancing Agreement Early Termination Date shall be the next day that is a Business Day).

If the Programme Counterparty opts to deliver a Balancing Agreement Optional Termination Notice, the Programme Counterparty shall deliver a copy of such notice to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant).

The Issuer shall, as soon as reasonably practicable upon receipt of any such Balancing Agreement Optional Termination Notice, give notice thereof and of the scheduled Balancing Agreement Early Termination Date to the Securityholders in

accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

- (iii) any of the Determination Agent, the Issuing and Paying Agent, the Secured Account Custodian, the Subscription Account Custodian, [*If Uncertificated Registered Securities, text will apply or be inserted* – the Registrar,] the Lead Authorised Participant and/or all of the Authorised Participants in relation to the ETC Securities resign or their appointment in relation to this Series of ETC Securities is terminated for any reason and no successor or replacement has been appointed within 60 calendar days of the date of notice of resignation or termination or the date the appointment was automatically terminated in accordance with the Determination Agent Agreement, the Agency Agreement, the Custody Agreement for Secured Accounts or the Custody Agreement for the Subscription Account as applicable, and the Issuer gives notice (an “**Agent Redemption Event Notice**”) to the Transaction Parties and the Securityholders in accordance with Condition 18. For the purposes of Condition 8(b), an Early Redemption Event in the form of an “**Agent Redemption Event**” will occur on the fourth Business Day following the date of the Agent Redemption Event Notice. An Agent Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;
- (iv) if the Metal Entitlement per ETC Security or the Value per ETC Security in respect of the ETC Securities has not been published by or on behalf of the Issuer for 14 consecutive Scheduled Valuation Days (a “**Publication Failure Event**”) and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding (a “**Securityholder Notice and Direction**”) to give a notice under this Condition 8(d)(iv) to the Issuer, the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Publication Event Redemption Notice**”) to the Issuer, copied to each of the Transaction Parties. Any such notice and direction given to the Trustee pursuant to this Condition 8(d)(iv) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and/or the Trustee. For the purposes of Condition 8(b), an Early Redemption Event in the form of a “**Publication Redemption Event**” will occur on the fourth Business Day following the date of the Publication Event Redemption Notice. A Publication Event Redemption Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Trustee receives a Securityholder Notice and Direction, the Trustee shall be entitled to assume that no such event has occurred. The Issuer shall, as soon as reasonably practicable after receipt of a Publication Event Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 19, specifying in such notice the scheduled Early Redemption Valuation Date;
- (v) if the Value per ETC Security on two consecutive Scheduled Valuation Days is less than or equal to 20 per cent. of the Issue Price per ETC Security as at the Series Issue Date (the “**Value per ETC Security Threshold Level**”), the Determination Agent shall give notice (a “**Value per ETC Security Threshold Level Notice**”) to the Issuer, copied to each of the Transaction Parties. For the purposes of Condition 8(b), an Early Redemption Event in the form of a “**Value per ETC Security Threshold Redemption Event**” will occur on the fourth Business Day following the date of the Value per ETC Security Threshold Level Notice. A Value per ETC Security Threshold Redemption 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 ETC Security Threshold Level

Notice, give notice thereof to the Securityholders in accordance with Condition 19, specifying in such notice the scheduled Early Redemption Valuation Date;

- (vi) an Issuer Call Redemption Event occurs pursuant to Condition 8(c);
- (vii) if the Issuer will, or there is a substantial likelihood that it will, on the next date on which a delivery of Metal is due in respect of a Subscription Order or Buy-Back Order, be required to make a payment in respect of VAT or be required to account for VAT on such delivery of Metal from or to an Authorised Participant (whether or not such VAT is recoverable); the Issuer may give the Trustee, the Secured Account Custodian, the Subscription Account Custodian, the Determination Agent, the Lead Authorised Participant, the Authorised Participants, the Issuing and Paying Agent, [*If Uncertificated Registered Securities, text will apply or be inserted* – the Registrar,] the Programme Counterparty, the Metal Agent and the Securityholders in accordance with Condition 19 notice that all the 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;
- (viii) if a Securityholder requests a firm bid price from one or more Authorised Participants for its ETC Securities on each of five consecutive Scheduled Valuation Days and no Authorised Participant provides the Securityholder with a firm bid price for such ETC Securities (a “**Bid Price Request Event**”), the Securityholder may deliver a notice in writing to the Issuer, each Authorised Participant and the Lead Authorised Participant notifying them of the occurrence of such Bid Price Request Event (a “**Bid Price Request Notice**”). If the Securityholder delivers a Bid Price Request Notice to such persons and none of the Lead Authorised Participant or any of the Authorised Participants provides a firm bid price to the relevant Securityholder on any of the 20 consecutive Scheduled Valuation Days from (and including) the date of the relevant Bid Price Request Notice (such 20th Scheduled Valuation Day, the “**Bid Price Request Period End Date**”), an “**AP Bid Price Event**” shall be deemed to have occurred on such Bid Price Request Period End Date and such Securityholder may give notice thereof to the Issuer and the Lead Authorised Participant. Upon receipt of any such notice by the Issuer, and provided that any such notice is accompanied by evidence to the satisfaction of the Issuer that an AP Bid Price Event has so occurred, the Issuer shall, once satisfied of the occurrence of such AP Bid Price Event (for which purposes the Issuer may consult with the Lead Authorised Participant and the Authorised Participants), give notice to the Transaction Parties and the Securityholders in accordance with Condition 19 that the ETC Securities are to be redeemed prior to their Scheduled Maturity Date (an “**AP Redemption Event Notice**”) and, for the purposes of Condition 8(b), an Early Redemption Event in the form of an “**AP Redemption Event**” will occur on the fourth Business Day following the date of such AP Redemption Event Notice. An AP Redemption Event Notice may not be delivered on or after the fourth Business Day prior to the Final Redemption Valuation Date;
- (ix) if a Balancing Agreement Event of Default with respect to the Programme Counterparty occurs and is continuing, and the Trustee is notified in writing of such Balancing Agreement Event of Default and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding to give a notice under this Condition 8(d)(ix), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Programme Counterparty Default Redemption Notice**”) to the Issuer and each of the Transaction Parties. For the purposes of Condition 8(b) an Early Redemption Event in the form of an “**ETC Securities Balancing Agreement**”

Redemption Event” will occur on the fourth Business Day following the date of the Programme Counterparty Default Redemption Notice. A Programme Counterparty Default 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 8(d)(ix) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and the Trustee. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Balancing Agreement Event of Default with respect to the Programme Counterparty has occurred or exists and, unless and until the Trustee receives notice from the requisite number of Securityholders and is directed in each case as aforementioned, the Trustee shall be entitled to assume that no such event has occurred. The Issuer shall, as soon as reasonably practicable after receipt of a Programme Counterparty Default Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 19, specifying in such notice the scheduled Early Redemption Valuation Date; or

- (x) if the Issuer becomes entitled to serve a VAT Redemption Event Notice or a termination notice under the Balancing Agreement following a Balancing Agreement Tax Event or a Balancing Agreement Illegality, and the Trustee is notified in writing of such entitlement and directed in writing by holders of at least one-fifth in number of the ETC Securities then outstanding to give a notice under this Condition 8(d)(x), the Trustee shall, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a “**Termination Event Redemption Notice**”) to the Issuer and each of the Transaction Parties. For the purposes of Condition 8(b), an Early Redemption Event in the form of a “**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 8(d)(x) by Securityholders must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and the Trustee. The Trustee shall not be responsible for or liable to the Issuer, any Securityholder or any Transaction Party for investigating, verifying, determining or monitoring whether a Balancing Agreement Tax Event or Balancing Agreement Illegality has occurred or exists and, unless and until the Trustee receives notice from Securityholders and is directed in each case as aforementioned, the Trustee shall be entitled to assume that no such event has occurred. 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 19, specifying in such notice the scheduled Early Redemption Valuation Date.

(e) Purchases

The Issuer may (without the consent of the Trustee or any Securityholder), from time to time, buy back all or some of the ETC Securities. Only an Authorised Participant may request that the Issuer buy back ETC Securities by delivering a valid Buy-Back Order subject to and in accordance with the terms of the Authorised Participant Agreement. The Issuer will only accept a Buy-Back Order and buy back ETC Securities if a valid Buy-Back Order is given by an Authorised Participant and all conditions precedent to a purchase of the ETC Securities are satisfied.

In accordance with the terms of the Authorised Participant Agreement the Issuer will not be obliged to accept any Buy-Back Order and/or buy back ETC Securities if (i) an Early Redemption Event has occurred and/or (ii) a Determination Agent Bankruptcy Event Notice has been delivered (until such time as a replacement Determination Agent is appointed in accordance with the

Determination Agent Agreement or the Programme Counterparty is making the requisite determinations and calculations in place of the Determination Agent pursuant to Condition 12(d) and the relevant Determination Agent Agreement) and/or (iii) a Balancing Agreement Termination Notice, Agent Redemption Event Notice, VAT Redemption Event Notice, Publication Event Redemption Notice, Value per ETC Security Threshold Level Notice, AP Redemption Event Notice, Programme Counterparty Default Redemption Notice or Termination Event Redemption Notice has been delivered. If an Issuer Call Redemption Notice, Issuer Redemption Notice or a Balancing Agreement Optional Termination Notice is delivered, the last day on which the Issuer is required to accept a valid Buy-Back Order shall be the fourth Business Day preceding the related Early Redemption Valuation Date or Balancing Agreement Early Termination Date (as applicable).

ETC Securities purchased by the Issuer from an Authorised Participant will be purchased on such terms as may be agreed between the Issuer and the Authorised Participant on a delivery free of payment basis. All ETC Securities purchased by or on behalf of the Issuer shall be cancelled. Any ETC Securities so cancelled may not be reissued or resold and the obligations of the Issuer in respect of any such ETC Securities shall be discharged. In accordance with the Security Deed, the Trustee will and will be deemed to release without the need for any notice or other formalities from such Security the relevant portion of the Secured Property relating to the ETC Securities so purchased and cancelled.

[If Bearer Securities, text will apply or be inserted – All ETC Securities purchased by or on behalf of the Issuer shall be surrendered for cancellation by surrendering each such ETC Security to or to the order of the Issuing and Paying Agent and shall, together with all ETC Securities redeemed by the Issuer, be cancelled forthwith. If, on a scheduled Buy-Back Settlement Date, the ETC Securities purchased by or on behalf of the Issuer have not been surrendered for cancellation, the relevant Authorised Participant shall have a period of 5 Business Days from (but excluding) the scheduled Buy-Back Settlement Date to surrender such ETC Securities. If the ETC Securities have not been surrendered within such period, the Issuing and Paying Agent shall use its best efforts to cancel such Buy-Back Order. Until the earlier of the surrender of the ETC Securities and the cancellation of the Buy-Back Order, any Underlying Metal which, in accordance with the Custody Agreement for Secured Accounts, has been transferred from the Secured Allocated Account to the Secured Unallocated Account in anticipation of the settlement of the Buy-Back Order shall remain in the Secured Unallocated Account in unallocated form.]

*[If Bearer Securities in CGN form, text will apply or be inserted – Cancellation of any ETC Security represented by a Global Security that is required by these Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the number of ETC Securities represented by the Global Security representing such ETC Security on its presentation to or to the order of the Issuing and Paying Agent for endorsement, whereupon the number of ETC Securities represented by such Global Security will be reduced for all purposes by the number of ETC Securities so cancelled and endorsed.][If Bearer Securities in NGN form, text will apply or be inserted – On cancellation of any ETC Security represented by a Global Security that is required by these Conditions to be cancelled (other than upon its redemption), the Issuer will procure that details of such cancellation will be entered *pro rata* in the records of the Relevant Clearing System and, upon any such entry being made, the number of ETC Securities recorded in the records of the Relevant Clearing System and by the Global Security will be reduced by the aggregate number of the ETC Securities so cancelled.]*

Any Buy-Back Order in respect of which the Buy-Back Settlement Date occurs after an Early Redemption Valuation Date or Final Redemption Valuation Date shall automatically be cancelled with effect from the Early Redemption Valuation Date or the Final Redemption Valuation Date, as applicable (for the avoidance of doubt, notwithstanding the acceptance of such Buy-Back Order

prior to such date) and any ETC Securities which have been surrendered for cancellation in respect of any such Buy-Back Order shall be returned to the relevant Authorised Participant.

9 Disruption Events and Postponement

(a) *Disruption Events*

The Determination Agent (in relation to Price Source Disruptions only) shall and the Programme Counterparty (in relation to Disruption Events other than Price Source Disruptions) may (but is not obliged to), with respect to any Business Day, determine that one or more Metal Disruption Events [*If FX Hedged ETC Securities, text will apply or be inserted* – or FX Disruption Events] has occurred or exists (each such event a “**Disruption Event**”).

For these purposes:

“**Metal Disruption Event**” means the occurrence or existence of any of the following events:

- (i) the Metal Reference Price Source fails to calculate and announce the Metal Reference Price on the relevant Business Day (a “**Metal Reference Price Source Disruption**”);
- (ii) trading in the Metal is subject to a material suspension or material limitation on the over-the-counter market of the Relevant Association or the primary exchange or trading facility for trading of such Metal or such market, exchange or trading facility is not open for trading for any reason (including a scheduled closure);
- (iii) the permanent discontinuation of trading in the Metal on the over-the-counter market of the Relevant Association or the primary exchange or trading facility for trading of such Metal; the disappearance of trading in the Metal; or the disappearance or permanent discontinuance or unavailability of the Metal Reference Price, notwithstanding the availability of the publication (or such other origin of reference, including an exchange or reference dealers) containing (or reporting) the relevant Metal Reference Price (or prices from which the relevant Metal Reference Price is calculated) as determined by the Programme Counterparty; or
- (iv) any event in connection with which the Issuer, the Programme Counterparty or any of its Affiliates is (or would be) unable, after using commercially reasonable efforts to hold, acquire or dispose of Metal.

[*If FX Hedged ETC Securities, text will apply or be inserted* – “**FX Disruption Event**” means the occurrence or existence of any of the following events:

- (i) the FX Forward Reference Level Source fails to calculate and announce the FX Forward Reference Level or the FX Spot Reference Level Source fails to calculate and announce the FX Spot Reference Level on the relevant Business Day (a “**FX Level Source Disruption**”); or
- (ii) trading in foreign exchange contracts between the Specified Currency and the Metal Currency is subject to a material suspension, limitation, illiquidity or disruption; it becomes impossible or impracticable to convert the Specified Currency into the Metal Currency or *vice versa*; or any event in connection with which the Programme Counterparty or any of its Affiliates is (or would be) unable, after using commercially reasonable efforts to hold, acquire or dispose of foreign exchange forward contracts between the Metal Currency and the Specified Currency or *vice versa*.]

(b) Disruption Event and Determination of Disrupted Days

- (i) If the Determination Agent determines that a Price Source Disruption has occurred or exists with respect to any Business Day, the Determination Agent shall give notice of its determination to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) no later than 11:00 London time on the immediately following Business Day, specifying the Price Source Disruption which has occurred or is existing on the relevant Business Day (such notice a “**Disruption Event Notice**”). The Determination Agent is not under any obligation to monitor whether or not a Disruption Event other than a Price Source Disruption has occurred or is continuing with respect to any Business 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 Counterparty determines that a Disruption Event other than a Price Source Disruption has occurred or exists with respect to any Business Day, the Programme Counterparty may (but is not obliged to) give notice of its determination to the Issuer (copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) no later than 11:00 London time on the immediately following Business Day, specifying the Disruption Event or Disruption Events which have occurred or are existing on such Business Day (such notice a “**Disruption Event Notice**”). The Programme Counterparty is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing with respect to any Business 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 Balancing Agreement.
- (iii) The Issuer shall, as soon as reasonably practicable after receipt by it of a Disruption Event Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

(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 Scheduled Valuation Day; provided that if no such Scheduled Valuation Day has occurred on or before the 10th Business Day following the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, then that 10th Business Day shall be deemed to be the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, and the Programme Counterparty will determine the Metal Entitlement per ETC Security in respect of such Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, 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. If the Programme Counterparty has not notified such Metal Entitlement per ETC Security to the Issuer and the Determination Agent by no later than 11:00 London time on the Business Day following such postponed Early Redemption Valuation Date or Final Redemption Valuation Date, as the case may be, then the Metal Entitlement per 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 Metal Entitlement per ETC Security.

- (ii) The Issuer shall publish the Metal Entitlement per ETC Security for the Final Redemption Valuation Date or the Early Redemption Valuation Date (as applicable) determined in accordance with Condition 9(c)(i) by no later than 16:00 London time on the Business Day immediately following the date on which such Metal Entitlement per ETC Security is determined on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19 from time to time).
- (iii) If any day in the period from (and including) the Final Redemption Valuation Date or Early Redemption Valuation Date, as the case may be, to (and including) the fourth Business Day prior to the Scheduled Maturity Date (in the case of the Final Redemption Valuation Date) or the Scheduled Early Redemption Date (in the case of the Early Redemption Valuation Date) is a Disrupted Day (each, a “**Relevant Disrupted Day**”), then the Programme Counterparty may, by notice (a “**Maturity Postponement Notice**”) to the Determination Agent on such fourth Business Day prior to the Scheduled Maturity Date or Scheduled Early Redemption Date, as the case may be, postpone the Scheduled Maturity Date or Early Redemption Date by the number of days specified in such Maturity Postponement Notice, which number of days may not exceed the total number of Relevant Disrupted Days. In such case the Final Redemption Disposal Period or Early Redemption Disposal Period, as the case may be, shall be deemed extended by the same number of days as the Scheduled Maturity Date or Early Redemption Date have been postponed by.
- (iv) The Issuer shall, as soon as reasonably practicable following receipt of a Maturity Postponement Notice, notify Securityholders of such postponement in accordance with Condition 19. 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) Postponement of Subscriptions and Buy-Backs

If a Subscription Trade Date or a Buy-Back Trade Date is a Disrupted Day, then the Subscription Trade Date or Buy-Back Trade Date shall be deemed to be postponed until the first following Scheduled Valuation Day and settlement of the related subscription or buy-back, as applicable, shall be postponed accordingly, provided that if such Scheduled Valuation Day does not occur by the earlier of (i) the 10th Business Day following the Business Day in respect of which the relevant Subscription Order or Buy-Back Order was delivered and (ii) the fourth Business Day prior to the Early Redemption Valuation Date or Final Redemption Valuation Date, the relevant Subscription Order to Buy-Back Order shall automatically be deemed to have been cancelled. No additional amount shall be payable to any Authorised Participant (or any Securityholder acquiring ETC Securities from, or selling ETC Securities to, an Authorised Participant) in connection with the postponement of the Subscription Trade Date or Buy-Back Trade Date, as applicable.

(e) Modification of Calculation and Publication of Value per ETC Security and Metal Entitlement per ETC Security

[If ETC Securities are not FX Hedged ETC Securities, text will apply or be inserted – In respect of each Disrupted Day, in accordance with Condition 5, no Metal Entitlement per ETC Security or Value per ETC Security will be determined or published on such Disrupted Day.]

[If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted –

In respect of each Disrupted Day:

- (i) in accordance with Condition 5, no Metal Entitlement per ETC Security or Value per ETC Security will be determined or published on such Disrupted Day; and
- (ii) if the Disruption Event Notice relating to such Disrupted Day specifies only Metal Disruption Events (and no FX Disruption Events) (such Disrupted Day, a **“Metal Disrupted Day”**), the Determination Agent will determine the Metal Entitlement per ETC Security in respect of the first Scheduled Valuation Day following such Metal Disrupted Day in accordance with Condition 5(b), except that the FX Percentage shall be deemed to be the Disrupted FX Percentage, calculated by the Determination Agent as follows:
 - (A) the Determination Agent shall identify each Metal Disrupted Day in respect of which it has received a Disruption Event Notice or, in the case of a Price Source Disruption, it has issued a Disruption Event Notice pursuant to Condition 9(b)(i) falling prior to the relevant Scheduled Valuation Day, but after the immediately prior Scheduled Valuation Day (each such Metal Disrupted Day, a **“Relevant Metal Disrupted Day”**);
 - (B) in respect of (I) each Relevant Metal Disrupted Day and (II) the relevant Scheduled Valuation Day, the Determination Agent shall calculate an amount (a **“Disrupted Daily FX Percentage”**), being equal to:
 - (I) the FX Forward Reference Level in respect of the immediately prior Relevant Metal Disrupted Day (or, in the case of the first Relevant Metal Disrupted Day, the immediately prior Scheduled Valuation Day); divided by
 - (II) the FX Spot Reference Level in respect of such day; and
 - (C) the **“Disrupted FX Percentage”** shall be an amount equal to:
 - (I) the result of the multiplication of all Disrupted Daily FX Percentages relating to the relevant Scheduled Valuation Day; minus
 - (II) one.

For illustration purposes only, a formulaic expression of the determination of the Metal Entitlement per ETC Security on the first Scheduled Valuation Day following such Metal Disrupted Day is set out below:

$$E_t = E_{t-1} \times \left[1 + \left(\prod_{k=1}^T \frac{F(k-1,k)}{S_k} - 1 \right) \times \frac{M_{t-1}}{M_t} \right] \times (1 - PFP \times YF(t))$$

Where:

“t” means the relevant Scheduled Valuation Day;

“E_t” means Metal Entitlement per ETC Security in respect of the relevant Scheduled Valuation Day;

“E_{t-1}” means Metal Entitlement per ETC Security in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“M_t” means the Metal Reference Price on the relevant Scheduled Valuation Day;

“M_{t-1}” means the Metal Reference Price in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day;

“k” is a series of whole numbers from one to T, each representing the relevant Reference Calculation Days in chronological order during the Reference Period;

“**Reference Period**” means the period from (but excluding) the Scheduled Valuation Day immediately preceding the Scheduled Valuation Day in respect of which E_t is being calculated to (and including) the Scheduled Valuation Day in respect of which E_t is being calculated;

“**T**” means the number of Reference Calculation Days in the relevant Reference Period.

“**Reference Calculation Day**” means any day which is either a Metal Disrupted Day or the Scheduled Valuation Day in respect of which E_t is being calculated;

“**F(k-1,k)**” means an amount equal to the FX Forward Reference Level in respect of the Reference Calculation Day immediately preceding the relevant Reference Calculation Day;

“**S_k**” means an amount equal to the FX Spot Reference Level in respect of the relevant Reference Calculation Day;

“**PFP**” means the Product Fee Percentage; and

“**YF(t)**” means an amount equal to:

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

10 Successor Price Source

If on any Scheduled Valuation Day the Programme Counterparty determines that the Relevant Price has not been calculated and announced by the Price Source but has been calculated and announced by a successor price source acceptable to the Programme Counterparty, then the Programme Counterparty will notify the Issuer of such determination (each such notice will be copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) and, with effect from the first Scheduled Valuation Day following date of such notice, such successor price source (the “**Successor Price Source**”) shall be deemed to be the Price Source for the purposes of the ETC Securities and the Balancing Agreement. The Issuer shall notify the Securityholders in accordance with Condition 19 and the Authorised Participant(s) and the Lead Authorised Participant as soon as reasonably practicable after receipt of any such notice from the Programme Counterparty of the replacement of the Price Source with a Successor Price Source.

For these purposes:

“**Relevant Price**” means *[If not FX Hedged ETC Securities, text will apply or be inserted – the Metal Reference Price.] [If FX Hedged ETC Securities, text will apply or be inserted – the Metal Reference Price, the FX Spot Reference Level or the FX Forward Reference Level (as applicable).]*

11 Balancing Agreement

(a) **Balancing Agreement**

In connection with the issue of the ETC Securities, the Issuer will on the Series Issue Date enter into the Balancing Agreement with the Programme Counterparty. The Balancing Agreement will provide for the balancing, following periodic Observation Dates, of the quantity of Underlying Metal held by the Issuer in respect of the Series of ETC Securities with the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series.

Pursuant to the Balancing Agreement, the Issuer may transfer (or receive) Underlying Metal in unallocated form to (or from) the Programme Counterparty in an amount equal to the difference between the quantity of Underlying Metal held by the Issuer (as adjusted to take into account

reductions in the quantity of such Underlying Metal due to unauthorised transfers or loss, theft and similar events) in respect of the Series of ETC Securities and the aggregate Metal Entitlement per ETC Security in respect of all outstanding ETC Securities of such Series as at an Observation Date under the Balancing Agreement. Such difference may be caused by the deduction of the Product Fee in the calculation of the Metal Entitlement per ETC Security since the previous Observation Date. *[If FX Hedged ETC Securities, text will apply or be inserted –* Additionally, such difference may be caused by the effect of the FX Factor in the calculation of the Metal Entitlement per ETC Security, which relates to movements in foreign exchange rates between the Specified Currency and the Metal Currency.]

(b) Transfer of Balancing Agreement

At any time prior to the occurrence of a Balancing Agreement Event of Default or a Balancing Agreement Termination Event with respect to the Programme Counterparty, the Programme Counterparty may transfer the Balancing Agreement to a single Eligible Counterparty, provided that (i) the Programme Counterparty and such Eligible Counterparty provide such authorisations, consents, legal opinions and/or such other documents as the Issuer may reasonably require, (ii) following such transfer the Balancing Agreement will be subject to the Security on the same terms *mutatis mutandis* as prior to such transfer and shall form part of the Secured Property, as applicable and (iii) not less than 60 calendar days' prior notice of any such transfer is given to Securityholders in accordance with Condition 19. The Security to the extent that it relates to the Balancing Agreement shall be released in connection with any such transfer.

12 Payments, Calculations, Agents and Records

(a) Payments Net of Taxes

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

(b) Payments

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

- (i) Payments of Principal in respect of Definitive Securities shall, subject to Condition 12(c), be made against presentation and surrender of the relevant ETC Securities at the specified office of any Paying Agent outside the United States, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a Bank. "Bank" means a bank in *[If the ETC Securities are denominated in a currency other than euro, text will apply or be inserted – [principal financial centre for the relevant currency to be specified in Final Terms]]**[If the ETC Securities are denominated in euro, text will apply or be inserted –* a city in which banks in general have access to the TARGET System.]
- (ii) For as long as the ETC Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depository, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the ETC Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as

owning ETC Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any ETC Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.]

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

The Issuer or the Issuing and Paying Agent on behalf of the Issuer shall pay or cause to be paid all payments under the Conditions in respect of the ETC Securities to the relevant Securityholder's cash memorandum account (as shown in the records of the Registrar at the close of business on, for so long as the Uncertificated Registered Securities are held in a Clearing System, the Clearing System Business Day immediately prior to the date for payment, where "**Clearing System Business Day**" means Monday to Friday inclusive except 25 December and 1 January) for value on the relevant payment date, such payment to be made subject to and in accordance with the rules and procedures of the Registrar and/or the Relevant Clearing System, as applicable. Each of the persons shown in the Register as owning ETC Securities must look solely to the settlement bank or institution at which its cash memorandum account is held for each such payment so made by or on behalf of the Issuer.

If the Uncertificated Registered Securities are not held in a Clearing System, payments on each Uncertificated Registered Security shall be made in the relevant currency by cheque drawn on a Bank on the relevant payment date and mailed to the holder (or to the first named of joint holders) of such Uncertificated Registered Security at its address appearing in the Register at the close of business on the General Business Day in Jersey immediately prior to such relevant payment date. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the relevant date for payment subject to and in accordance with the rules and procedures of the Registrar, such payment may be made by transfer to an account in the relevant currency maintained by the payee with a Bank). "**Bank**" means a bank in *[If the ETC Securities are denominated in a currency other than euro, text will apply or be inserted – [principal financial centre for the relevant currency to be specified in Final Terms]]**[If the ETC Securities are denominated in euro, text will apply or be inserted – a city in which banks in general have access to the TARGET System.]]*

(c) Payments Subject to Fiscal Laws

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

(d) Calculations and Determinations

- (i) The Determination Agent shall, as soon as practicable on such date and/or at such time as the Determination Agent is required in accordance with the Determination Agent Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.
- (ii) If (I) the appointment of the Determination Agent is terminated in connection with a Determination Agent Bankruptcy Event or (II) the Determination Agent resigns or its appointment is terminated and the Determination Agent fails to perform its duties and obligations under the Determination Agent Agreement in the period prior to the effective date of such resignation or termination, the Issuer shall as soon as reasonably practicable after becoming aware of the foregoing notify the Programme Counterparty thereof. As soon as reasonably practicable after receipt of such notice (taking into account the time required

for the Programme Counterparty to put in place the relevant systems and procedures), the Programme Counterparty has agreed in the Determination Agent Agreement to act as agent of the Issuer (or, if the Trustee so requests following the occurrence of an Event of Default or Potential Event of Default or after the Security has become enforceable, as agent for the Trustee) on a temporary basis, provided that no Balancing Agreement Event of Default or Balancing Agreement Termination Event has occurred or is continuing with respect to the Programme Counterparty, until such time as a replacement Determination Agent is appointed in accordance with the terms of the Determination Agent Agreement, and will make the determinations and calculations which the Determination Agent is required to make pursuant to the Determination Agent Agreement, the Conditions and the other Relevant Provisions, and the Conditions and any relevant Transaction Documents shall be construed accordingly. In doing so, the Programme Counterparty shall apply the provisions of the Determination Agent Agreement and the Conditions and the other Relevant Provisions, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances.

- (iii) Under the Determination Agent Agreement, the Programme Counterparty has agreed to give notice of the occurrence of a Determination Agent Bankruptcy Event to the Issuer and each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant) as soon as reasonably practicable after it becomes aware of the occurrence of such event. The Issuer shall give notice of the occurrence of a Determination Agent Bankruptcy Event to each Transaction Party and to the Securityholders in accordance with Condition 19 as soon as reasonably practicable after it becomes aware of the occurrence of such event. Any notice of the occurrence of a Determination Agent Bankruptcy Event given by the Issuer or the Programme Counterparty shall constitute a “**Determination Agent Bankruptcy Event Notice**”.
- (iv) Under the Determination Agent Agreement, the Issuer has authorised the Programme Counterparty in its capacity as the Issuer’s agent to (A) vary the appointment of the Determination Agent on giving the Determination Agent at least 60 calendar days’ prior notice to that effect (or such shorter notice period as the Issuer, the Programme Counterparty and the Determination Agent may agree from time to time) provided that such variation is of an operational nature and which is, in the reasonable determination of the Programme Counterparty, necessary to enable the Determination Agent to properly perform its duties and obligations under the Relevant Provisions. Any variation in the appointment of the Determination Agent will not be effective unless the Determination Agent has consented to such variation; and (B) to terminate the appointment of the Determination Agent in accordance with the Determination Agent Agreement.
- (v) Without prejudice to Condition 12(d)(v)(D), the Programme Counterparty shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Programme Counterparty of its obligations under the Determination Agent Agreement, the Conditions or any other Transaction Document to which it is a party, provided that nothing shall relieve the Programme Counterparty from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Programme Counterparty (any such act or omission, a “**Programme Counterparty Breach**”).
 - (A) If the Programme Counterparty would, but for the operation of this Condition 12(d)(v)(A), be held liable for any Loss arising as the result of a Programme Counterparty Breach, the Programme Counterparty shall nevertheless incur no

liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Counterparty Breach results from the Programme Counterparty complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise).

- (B) If the Programme Counterparty would, but for the operation of this Condition 12(d)(v)(B), be held liable for any Loss arising as the result of a Programme Counterparty Breach, the Programme Counterparty shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Counterparty Breach results solely and directly from either the failure by any other Transaction Party to provide any notice, instruction or direction which such Transaction Party is required or permitted to give under the Conditions or any relevant Transaction Document or a delay in the delivery by any other Transaction Party of any notice, instruction or direction which such Transaction Party is required or permitted to give to the Determination Agent and/or the Programme Counterparty under the Conditions or any relevant Transaction Document.
 - (C) If the Programme Counterparty would, but for the operation of this Condition 12(d)(v)(C), be held liable for any Loss arising as the result of a Programme Counterparty Breach, the Programme Counterparty shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Programme Counterparty Breach results solely and directly from the reliance by the Programme Counterparty 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 Counterparty pursuant to the Conditions and the relevant Transaction Document.
 - (D) Notwithstanding anything to the contrary in the relevant Determination Agent Agreement, these Conditions or any other Transaction Document, the Programme Counterparty shall not be liable to the Issuer, the Securityholders, any Transaction Party or any other person for any calculations, determinations (or any delay in making any calculation or determination), actions or omissions made by the Programme Counterparty in connection with the performance of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii) unless fraudulent or made in bad faith. Without prejudice to anything in this Condition 12(d)(v), the Programme Counterparty shall have the benefit of the provisions of Condition 12(f) relating to the Determination Agent in respect of any calculations, determinations, actions or omissions made by the Programme Counterparty in connection with the performance by the Programme Counterparty of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii).
- (vi) The determination by the Determination Agent or the Programme Counterparty, as applicable, of any amount, rate, value or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Determination Agent under the Relevant Provisions in the case of the Determination Agent and under the Conditions, the Determination Agent Agreement and any other Transaction Documents to which it is a party in the case of the Programme Counterparty are required under the terms of the Determination Agent Agreement to be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Securityholders and the Transaction Parties.

(e) Determination or Calculation by Trustee

If at any time after the Security has become enforceable pursuant to Condition 6(e) and (i) the Determination Agent does not make any determination or calculation relating to the Metal Entitlement per ETC Security, Value per ETC Security, Final Metal Redemption Amount, Early Metal Redemption Amount, Final Redemption Amount or Early Redemption Amount when required pursuant to the Conditions and the Transaction Documents and (ii) the Programme Counterparty has not made any determination or calculation relating thereto or a Balancing Agreement Event of Default or Balancing Agreement Termination Event has occurred and is continuing with respect to the Programme Counterparty, then the Trustee may make any determination or calculation in place of the Determination Agent (or may appoint an agent on its behalf to do so) provided that the Trustee shall have been pre-funded and/or secured and/or indemnified to its satisfaction. Any such determination or calculation made by the Trustee shall for the purposes of the Conditions and the Transaction Documents be deemed to have been made by the Determination Agent. In doing so, the Trustee shall apply the provisions of the Conditions and/or the relevant Transaction Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. The Trustee shall not be liable to the Issuer, the Securityholders or any Transaction Party for any calculations and determinations (or any delay in making any calculation or determination) so made unless fraudulent or made in bad faith.

(f) Determination Agent

- (i) Subject as provided in the Conditions and the Determination Agent Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Determination Agent for so long as any of the ETC Securities of this Series are outstanding. If the Determination Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides administration services of a similar type to those required of the Determination Agent under the Relevant Provisions or a leading bank or investment banking firm (acting through its principal London office or any other office actively involved in such market) engaged in the interbank market (or, if appropriate, money, precious metals or foreign exchange market) that the Issuer reasonably determines is capable of making the calculation(s) and/or determination(s) required to be made by the Determination Agent under the Relevant Provisions to act as such in its place.
- (ii) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Transaction Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Determination Agent of its obligations under the Determination Agent Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Determination Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Determination Agent (any such act or omission, a “**Determination Agent Breach**”).
 - (A) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(A), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Determination Agent Breach results from the Determination Agent complying with any specific instruction or express direction from any director of the Issuer (whether received in electronic form or otherwise).

- (B) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(B), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Transaction Party to provide any notice, instruction or direction which such Transaction Party is required or permitted to give under the Conditions or any relevant Transaction Document or (ii) a delay in the delivery by any other Transaction Party of any notice, instruction or direction which such Transaction Party is required or permitted to give to the Determination Agent under the Conditions or any relevant Transaction Document.
- (C) If the Determination Agent would, but for the operation of this Condition 12(f)(ii)(C), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Transaction Party or any other person if such Determination Agent Breach results solely and directly from the reliance by the Determination Agent upon a rate, amount, quotation, value, 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.
- (iii) The Determination Agent has no obligation towards or relationship of agency or trust with any Securityholder.
- (iv) The Determination Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Determination Agent Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Determination Agent Agreement against or on the part of the Determination Agent. The Determination Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Transaction Document unless otherwise agreed pursuant to the Relevant Provisions.
- (v) The Determination Agent may consult, on any legal matter which it believes in good faith requires such consultation, any legal or other professional advisers reasonably selected by it, who may be employees of or advisers to the Issuer, and it will not be liable in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with the opinion of such adviser(s).
- (vi) The Determination Agent will not incur any liability to any person in acting upon any [*If the ETC Securities are Bearer Securities the following text will apply or be inserted* - ETC Security,] signature, or other document or information from any electronic or other source reasonably believed by it to be genuine and believed by it to have been signed or otherwise given or disseminated by the proper party or parties, in each case received by it in connection with the performance of its duties under the Determination Agent Agreement.
- (vii) The Determination Agent and the Programme Counterparty, respectively, whether or not acting for themselves, may acquire, hold or dispose of any ETC Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person, and may act on, or as depository, 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

Counterparty, as applicable, were not a Determination Agent or the Programme Counterparty, as applicable, under the Determination Agent Agreement and need not account for any profit.

- (viii) Save as otherwise provided in the Determination Agent Agreement and the other Relevant Provisions, the Determination Agent shall not be required to expend or risk its own funds or otherwise to incur any liability, financial or otherwise (other than such costs and expenditure contemplated by the Relevant Provisions and/or incurred in the ordinary performance of the Determination Agent's duties and obligations under the Determination Agent Agreement and any ordinary office expenses, remuneration of directors or employees or general operating costs of the Determination Agent (whether incurred in connection with the performance of its obligations under the Relevant Provisions or otherwise)) if it shall have reasonable grounds for believing that repayment of such funds or the provision of an indemnity satisfactory to it against such risk or liability is not assured to it.
- (ix) The Determination Agent is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document received by it from the Issuer or any other Transaction Party.
- (x) To the extent that the Determination Agent requires clarification of its duties pursuant to the Relevant Provisions, the Determination Agent is entitled to seek instructions from, and to rely entirely and act on the instructions received from, the Issuer and, without prejudice to the standard of care, limitation of liability and indemnity provisions in the Determination Agent Agreement, the Determination Agent will not be responsible for any action it takes in accordance with such instructions.
- (xi) If the Issuer expressly instructs the Determination Agent to take any action not contemplated by the Relevant Provisions, the Determination Agent will, without prejudice to the standard of care, limitation of liability and indemnity provisions in the Determination Agent Agreement, not be responsible for any action it takes on behalf of the Issuer in accordance with such instructions.
- (xii) The Determination Agent will have no responsibility or liability for any Loss resulting from its being unable to perform any functions or obligations under the Determination Agent Agreement if the same results from any law, regulation or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory authority affecting it. Nothing in the Determination Agent Agreement or in any other Transaction Document may require the Determination Agent to take any action or refrain from taking any action if the same would be contrary to any applicable law, regulation or requirement of any central bank or government or other regulatory authority affecting it.
- (xiii) 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, or a Potential Event of Default or an Early Redemption Event (or any event which with the passing of time or the giving of a notice would constitute an Early Redemption Event) has occurred in relation to the relevant Series of ETC Securities (other than as required pursuant to Condition 8(d)(v) with respect to a Value per ETC Security Threshold Redemption Event) or if the Security under the relevant Security Deed 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 are performing all their respective obligations under the ETC Securities of the relevant Series of ETC Securities and the other Transaction Documents. The Determination Agent shall not be responsible for monitoring or supervising the

performance by any other person of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Determination Agent shall not be responsible for any errors made by the Issuer, the Trustee, the Programme Counterparty, the Metal Agent or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

(g) Custodian

If the Secured Account Custodian or the Subscription Account Custodian resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint an Eligible Custodian to act as the Secured Account Custodian or the Subscription Account Custodian (as applicable) in its place within 60 calendar days of the date of the notice of resignation or the notice of termination or the date the appointment was automatically terminated in accordance with the Custody Agreement for Secured Accounts or the Custody Agreement for the Subscription Account (as relevant). Neither the Secured Account Custodian or the Subscription Account Custodian may resign its duties without a successor Eligible Custodian having been appointed as aforesaid.

(h) Metal Agent

If the Metal Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint an Eligible Metal Agent to act as the Metal Agent in its place within 60 calendar days of the date of the notice of resignation or the notice of termination or the date the appointment was automatically terminated in accordance with the Metal Agent Agreement. The Metal Agent may not resign its duties without a successor Eligible Metal Agent having been appointed as aforesaid.

(i) Appointment of Agents

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the relevant Agency Agreement, Metal Agent Agreement, Determination Agent Agreement, Custody Agreement for Secured Accounts and/or Custody Agreement for the Subscription Account, as applicable, to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, [*If Uncertificated Registered Securities, text will apply or be inserted* – the Registrar, any Transfer Agent,] the Metal Agent, the Secured Account Custodian, the Subscription Account Custodian or the Determination Agent and to appoint additional or other Paying Agents [*If Uncertificated Registered Securities, text will apply or be inserted* – or Registrar or Transfer Agents]. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Transaction Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, [*If Uncertificated Registered Securities, text will apply or be inserted* - (ii) a Registrar, (iii) a Transfer Agent,] [(iv)][(ii)] a Determination Agent, [(v)][(iii)] a Secured Account Custodian, [(vi)][(iv)] a Subscription Account Custodian, [(vii)][(v)] a Metal Agent, [(viii)][(vi)] a Paying Agent having its specified office in a major European city [*If the ETC Securities are listed on the LSE, text will apply or be inserted* – (which shall be London so long as the ETC Securities are listed on the London Stock Exchange)], [(ix)][(vii)] such other agents as may be required by any other stock exchange on which the ETC Securities may be listed, in each case, as approved by the Trustee, and [(x)][(viii)] a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct any tax pursuant to any law implementing Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 19.

Pursuant to the terms of the Trust Deed, at any time after an Event of Default or a Potential Event of Default has occurred in relation to a particular Series of ETC Securities, the Trustee may: (i) by notice in writing to the Issuer and the Issuing and Paying Agent and any other Paying Agents, require the Issuing and Paying Agent and all or any of the other Paying Agent(s), until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the ETC Securities of such Series *mutatis mutandis* on the terms of the relevant Agency Agreement (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Issuing and Paying Agent and such other Paying Agents (if any) will be limited to the amounts for the time being held by the Trustee in respect of the ETC Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6) to discharge such liability), or (b) deliver [*If Bearer Securities text will apply or be inserted* – the ETC Securities and] all moneys, documents and records held by them in respect of the ETC Securities to or to the order of the Trustee or as the Trustee directs in such notice; and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETC Securities to or to the order of the Trustee and not to the Issuing and Paying Agent with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, sub-paragraph (1) of Condition 6(b)(i) shall cease to have effect.

Pursuant to the terms of the Security Deed, at any time after the Security has become enforceable, the Trustee may: (i) by notice in writing to the Issuer and the Agents, require the Agents or any of them, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Security Deed *mutatis mutandis* on the terms of the relevant Agency Agreement, Metal Agent Agreement, Custody Agreement for Secured Accounts, Custody Agreement for the Subscription Account, Determination Agent Agreement and Authorised Participant Agreement, as applicable (with consequential amendments as necessary and except that the Trustee's liability for the indemnification, remuneration and all other expenses of the Agents or such Agent will be limited to the amounts for the time being held by the Trustee in respect of the ETC Securities on the terms of the Security Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6) to discharge such liability), and thereafter to hold all ETC Securities, moneys, assets, documents and records held by them in respect of the ETC Securities and in the case of the Secured Account Custodian or the Subscription Account Custodian or any Sub-Custodian (where applicable) assets forming part of, or documents evidencing or representing, the Secured Property, to the order of the Trustee, or (b) deliver all ETC Securities, moneys, assets, documents and records held by them in respect of the ETC Securities and in the case of the Secured Account Custodian or the Subscription Account Custodian or any Sub-Custodian (where applicable) assets forming part of, or documents evidencing or representing, the Secured Property, to the Trustee or as the Trustee directs in such notice; and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETC Securities to or to the order of the Trustee and not to the Issuing and Paying Agent with effect from the receipt of any such notice by the Issuer.

(j) Business Day Convention and Non-Payment Business Days

If any date for payment in respect of any ETC Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.

(k) *[If Bearer Securities in NGN form, text will apply or be inserted – Records*

For so long as the ETC Securities are Bearer Securities represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 12(k) means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the ETC Securities) shall be conclusive evidence of the number of the ETC Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of ETC Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.]

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

(l) *[If Bearer Securities, text will apply or be inserted – Negotiability of Global Security*

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

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

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

13 Prescription

Claims against the Issuer for payment under the Conditions in respect of the ETC Securities shall be prescribed and become void unless made within 10 years from the date on which the payment of Principal in respect of the ETC Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven days after that on which notice is duly given to the Securityholders that, upon further presentation of the ETC Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the "**Relevant Date**")*[If Bearer Securities, text will apply or be inserted – save that if the ETC Securities are in global form claims in respect of Principal in respect of the relevant Global Security shall become void unless the Global Security is presented for payment within a period of 10 years from the appropriate Relevant Date].*

14 Events of Default

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

(copied to each Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) (such notice an “**Event of Default Redemption Notice**”) that the ETC Securities are, and they shall immediately become, due and payable at their Early Redemption Amount on the Early Redemption Date:

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

The Issuer shall, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Securityholders in accordance with Condition 19 and to the Authorised Participant(s) and the Lead Authorised Participant.

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

15 Enforcement

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

Pursuant to the terms of the Security Deed, only the Trustee may enforce the Security over the Secured Property in accordance with the Security Deed and (other than as permitted by the Trust Deed and the Conditions) only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer as it may think fit to enforce the Security over the Secured Property, but it need not take any such action or step or institute such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the relevant Series of ETC Securities then outstanding (in accordance with the Security Deed) and (b) it shall have been secured and/or pre-funded and/or indemnified to its satisfaction. None of the Secured Creditors, the Other Creditors, the Securityholders or the other Transaction Parties shall be

entitled to proceed directly against the Issuer in respect of the Security Deed unless the Trustee, having become bound to proceed in accordance with the terms of the Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing. The Trustee, the Securityholders and the Transaction Parties acknowledge and agree that only the Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Security Deed.

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

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

(a) Meetings of Securityholders

In accordance with the terms of the Trust Deed, a meeting of Securityholders may be convened as described in Annex 1 to these Conditions by the Issuer or the Trustee at any time during the term of the ETC Securities. The quorum requirement for a meeting and the voting arrangements pursuant to the Trust Deed are described in Annex 1 to these Conditions.

The special quorum provisions described in Annex 1 to these Conditions and in the Trust Deed shall apply to any meeting and Extraordinary Resolution relating to any proposal: (i) to amend the dates of maturity or redemption of the ETC Securities; (ii) to vary any method of, or basis for, calculating the Final Redemption Amount or Early Redemption Amount, as applicable; (iii) to vary the currency or currencies of payment or denomination of the ETC Securities; (iv) to take any steps that, as specified in the Issue Deed and/or the Trust Deed, may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply; (v) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; (vi) to modify the provisions of the Trust Deed concerning the special quorum provisions; or (vii) to modify certain provisions of Condition 6 and/or the Security Deed.

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

- (i) the transfer of Metal to the Programme Counterparty under the Balancing Agreement and to an Authorised Participant under the Authorised Participant Agreement and the related release of Security provided such transfer and release is effected in accordance with the terms of the Balancing Agreement and the Authorised Participant Agreement (as applicable);
- (ii) any change to the Product Fee Percentage at any time [*If ETC Securities are FX Hedged ETC Securities, text will apply or be inserted* – (whether due to a change in the Base Fee Percentage or the FX Hedging Fee Percentage)];
- (iii) any appointment of an additional or replacement Transaction Party provided such appointment or replacement is effected in accordance with the Conditions and the applicable Transaction Document(s);
- (iv) the substitution of the Price Source with a Successor Price Source pursuant to Condition 10;
- (v) the transfer, novation or assignment of the Balancing Agreement pursuant to Condition 11(b);
- (vi) any increase to the Programme Maximum Number of ETC Securities; or

- (vii) any amendment to any term of the Conditions or any Transaction Document which relates to an operational or procedural issue.

(b) Modification of the Relevant Transaction Documents

Without prejudice to Condition 16(a), the Trustee may agree, without the consent of the Securityholders but only with the prior written consent of the Lead Authorised Participant and the Programme Counterparty, to (i) any modification to these Conditions, the Trust Deed, the Security Deed, the Balancing Agreement and/or any other Transaction Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation, of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed, the Security Deed, the Balancing Agreement and/or any other Transaction Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 19 as soon as reasonably practicable.

(c) Substitution

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

- (i) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, the Security Deed and the ETC Securities (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, the Security Deed and the ETC Securities as the principal debtor in place of the Issuer;
- (ii) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Security Deed and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;
- (iii) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor’s financial condition, profits or prospects or compare them with those of the Issuer;
- (iv) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (A) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the ETC Securities and any Transaction Document have been obtained and (B) such approvals and consents are at the time of substitution in full force and effect;
- (v) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that the Programme Counterparty and any other Transaction Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such

substitution is fully effective and comply with such other requirements in the interests of the Securityholders as the Trustee may direct;

- (vi) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the ETC Securities, agree to a change of the law from time to time governing such ETC Securities and/or the Issue Deed and/or the Trust Deed and/or the Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders;
- (vii) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Securityholders; and
- (viii) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

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

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

(d) Entitlement of the Trustee

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

17 Replacement of ETC Securities

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

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

such ETC Security) and otherwise as the Issuer may require. Mutilated or defaced ETC Securities must be surrendered before replacements will be issued.]

[*If Uncertificated Registered Securities, text will apply or be inserted* – This Condition is intentionally left blank.]

18 Further Issues

Subject to Condition 6, the Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions, the Agency Agreement and the Authorised Participant Agreement, create and issue further securities that are either:

- (i) securities having the same terms and conditions as the ETC Securities in all respects and so that such further issue shall be consolidated and form a single series with the ETC Securities and the Issuer may incur further obligations relating to such ETC Securities; or
- (ii) securities that are not consolidated and do not form a single Series with the ETC Securities and that are secured on separate assets than the 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.

Only an Authorised Participant may request that the Issuer issue additional Tranches of the ETC Securities by delivering a valid Subscription Order subject to and in accordance with the terms of the Authorised Participant Agreement. The Issuer will only accept a Subscription Order and issue ETC Securities if a Subscription Order is given by an Authorised Participant and determined to be valid by or on behalf of the Issuer and all conditions precedent to an issue of the ETC Securities are satisfied.

In accordance with the terms of the Authorised Participant Agreement, the Issuer will not be obliged to accept any Subscription Order and/or issue ETC Securities if (A) a Suspension Event has occurred and is continuing, and/or (B) an Early Redemption Event has occurred, and/or (C) a Determination Agent Bankruptcy Event Notice has been delivered (until such time as a replacement Determination Agent is appointed in accordance with the Determination Agent Agreement or the Programme Counterparty is making the requisite determinations and calculations in place of the Determination Agent pursuant to Condition 12(d) and the relevant Determination Agent Agreement) and/or (D) a Balancing Agreement Termination Notice, Agent Redemption Event Notice, VAT Redemption Event Notice, Publication Event Redemption Notice, Value per ETC Security Threshold Level Notice, AP Redemption Event Notice, Programme Counterparty Default Redemption Notice or Termination Event Redemption Notice has been delivered. If an Issuer Call Redemption Notice, Issuer Redemption Notice or a Balancing Agreement Optional Termination Notice is delivered, the last day on which the Issuer is required to accept a valid Subscription Order shall be the fourth Business Day preceding the related Early Redemption Valuation Date or Balancing Agreement Early Termination Date (as applicable).

The Issuer may suspend the issuance of further ETC Securities at any time. If a Suspension Event occurs, the Issuer shall not be obliged to accept any Subscription Orders for the ETC Securities with effect from the date of suspension specified in the relevant notice to the Determination Agent, Lead Authorised Participant and the Authorised Participants until such time (if any) as the Issuer notifies such Transaction Parties that it shall recommence the issue of further Tranches of the ETC Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Business Day following the date of such notice. The Issuer shall give notice to Securityholders in accordance with Condition 19 of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

Any Subscription Order in respect of which the Subscription Settlement Date occurs after an Early Redemption Valuation Date or Final Redemption Valuation Date shall automatically be cancelled (for the avoidance of doubt, notwithstanding the acceptance of such Subscription Order prior to such date) and

any ETC Securities issued on a Subscription Settlement Date which are pending settlement to the relevant Authorised Participant as at the Early Redemption Valuation Date or Final Redemption Valuation Date shall automatically be cancelled, in both cases with effect from the Early Redemption Valuation Date or the Final Redemption Valuation Date, as applicable.

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

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

19 Notices

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

- (i)
 - (A) *[If Bearer Securities listed on the London Stock Exchange, text will apply or be inserted – published in a daily newspaper with general circulation in the United Kingdom (which is expected to be the Financial Times)]**[If Bearer Securities listed on any other Relevant Stock Exchange, text will apply or be inserted – [and] published in a daily newspaper with general circulation in the country of the Relevant Stock Exchange]**[If Uncertificated Registered Securities, text will apply or be inserted – delivered to the Registrar and/or the Operator for communication to the holders pursuant to the procedures for delivery of notices to accountholders in CREST as may be agreed between the Issuer, the Registrar and the Operator from time to time]; and/or*
 - (B) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
- (ii) for so long as the ETC Securities are listed on any Relevant Stock Exchange, published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority[; and]
- (iii) *[If Bearer Securities, text will apply or be inserted –* for so long as the ETC Securities are in global form, notices required to be given in respect of the ETC Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above*[If the ETC Securities are listed on the Luxembourg Stock Exchange, text will apply or be inserted –*, except that for so long as the ETC Securities are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, notices shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*)]. Any such notice shall be deemed to have been given to the holders of the ETC Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.]

If, in the opinion of the Trustee, any such publications above are not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in the relevant country.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

20 Rights, Obligations and Indemnification of the Trustee

(a) Condition Precedent to Trustee Action

The Trustee is not obliged or required to take any action, step or proceeding that would involve any personal liability or expense without first being pre-funded and/or secured and/or indemnified to its satisfaction.

(b) Liability in Respect of Security and the Secured Property

The Trustee will accept without investigation, requisition or objection such right and title as the Issuer has to any of the Secured Property and need not examine or enquire into or be liable for any defect or failure in the right or title of the Issuer to the Secured Property or any part of it, whether such defect or failure was known to the Trustee or might have been discovered upon examination or enquiry and whether capable of remedy or not. The Trustee is not under any obligation to insure any property comprising the Secured Property or any certificate, note, bond or other evidence in respect thereof, or to require any other person to maintain any such insurance.

The Trustee will not be responsible for, nor will it have any liability with respect to any loss or theft or reduction in value of any property comprising the Secured Property. The Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which might arise because (i) all or part of the property comprising the Secured Property is or will be held by the Secured Account Custodian or the Subscription Account Custodian or a Sub-Custodian and/or (ii) the Trustee, the Secured Account Custodian, the Subscription Account Custodian, any Sub-Custodian and/or the Metal Agent, as applicable, is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

The Trustee will not be responsible or liable to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor for the validity, enforceability, value or sufficiency (which the Trustee will not investigate) of the Security relating to the ETC Securities. The Trustee will not be liable to any Securityholder, any Secured Creditor, any Other Creditor or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Security relating to the ETC Securities.

None of the Trustee, any receiver appointed by it or any attorney or agent of the Trustee will, by reason of taking possession of any Secured Property or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such Secured Property or from any act or omission in relation to such Secured Property or otherwise unless such loss or damage shall be caused by its own fraud.

(c) Discharge

The Trustee's receipt for any moneys paid to it will discharge the person paying them and such person will not be responsible for their application.

(d) *Apportionment of Trustee Expenses Between Series of ETC Securities*

If at any time the Trustee is Trustee in respect of more than one series of securities issued under the Programme by the Issuer, the Trustee will be entitled in its absolute discretion to determine in respect of which Series of ETC Securities any liabilities and expenses have been incurred by the Trustee and to allocate any such liabilities and expenses between such Series of ETC Securities.

(e) *Advice*

The Trustee may act on the opinion or advice of, or information obtained from, any expert and will not be responsible to anyone for any loss occasioned by so acting whether such advice is obtained 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 or fax and the Trustee will not be liable to anyone for acting in good faith on any opinion, advice or information purporting to be conveyed by such means even if it contains some error or is not authentic and whether or not such expert's liability in respect thereof is limited whether by reference to a monetary cap or otherwise.

(f) *Trustee to Assume Performance*

The Trustee need not notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, a Potential Event of Default, an Early Redemption Event, a Disruption Event, a Suspension Event, a Determination Agent Bankruptcy Event, a transfer, novation or assignment of the Balancing Agreement, a substitution of the Price Source or 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 Trust Deed, the Security Deed, the ETC Securities and the other Transaction Documents. The Trustee is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being performed unless it shall have actual knowledge to the contrary.

(g) *Resolutions and Directions of Securityholders*

The Trustee will not be responsible for having acted in good faith on a resolution purporting to have been passed at a meeting of Securityholders in respect of which minutes have been made and signed or any instruction or direction in writing purporting to have been given by or on behalf of Securityholders even if it is later found that there was a defect in the constitution of the meeting or the passing of the resolution or the giving of such instruction or direction or that such resolution, instruction or direction was not valid or binding on the Securityholders.

(h) *Certificate Signed by Directors*

If the Trustee, in the exercise of its functions, requires to be satisfied or to have information as to any fact or the expediency of any act, it may call for and accept as sufficient evidence of that fact or the expediency of that act a certificate signed by any director of the Issuer as to that fact or to the effect that, in their opinion, that act is expedient and the Trustee need not call for further evidence and will not be responsible for any loss occasioned by acting on such a certificate.

(i) *Deposit of Documents*

The Trustee may appoint as custodian, on any terms, any bank or entity whose business includes the safe custody of documents or any lawyer or firm of lawyers believed by it to be of good repute and may deposit the Issue Deed and any other documents with such custodian and pay all sums due in respect thereof and the Trustee will not be responsible for any loss incurred in connection with any such holding or deposit. The Trustee is not obliged to appoint a custodian of securities payable to bearer.

(j) Discretion

The Trustee has absolute and uncontrolled discretion as to the exercise of its functions and will not be responsible for any loss, liability, cost, claim, action, demand, expense or inconvenience that may result from their exercise or non-exercise.

(k) Agents

Whenever it considers it expedient in the interests of the Securityholders, the Trustee may, in the conduct of its trust business, instead of acting personally, employ and pay an agent selected by it, whether or not a lawyer or other professional person, to transact or conduct, or concur in transacting or conducting, any business and to do or concur in doing all acts required to be done by the Trustee (including the receipt and payment of 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 Security Deed 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 determine all questions and doubts arising in relation to any of the provisions of the Trust Deed, the Security Deed or any other Transaction Document. Such determinations, whether made upon such a question actually raised or implied in the acts or proceedings of the Trustee, will be conclusive and will bind the Trustee, the Securityholders, the Secured Creditors and/or any Other Creditor.

(p) Currency Conversion

Where it is necessary or desirable for any purpose for the Trustee to convert any sum from one currency to another, it will (unless otherwise provided in the Issue Deed or these Conditions or required by law) be converted at such rate or rates, in accordance with such method and as at such date as may reasonably be specified by the Trustee but having regard to current rates of exchange, if available. Any rate, method and date so specified will be binding on the Issuer, the Securityholders, 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 [*If Bearer Securities text will apply or be inserted* – and subject to the provisions of Section 750 of the Companies Act 2006], the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the Trust Deed in relation to the ETC Securities will be entitled to be indemnified out of the Secured Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts or of any functions vested in them or him pursuant to the Trust Deed and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property,

and the Trustee may retain any part of any moneys in its hands arising from the trusts of the Trust Deed all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee will have a lien on the Secured Property for all moneys payable to it under this Condition 20(q), the Trust Deed or otherwise.

(r) Issue Deed

The Trustee assumes no responsibility for, and will not, by the execution of the Issue Deed, be deemed to make any representation as to, the adequacy, sufficiency, validity or enforceability of the Issue Deed or any agreement constituted by the execution thereof.

(s) Transaction Parties

In acting as Trustee under the Trust Deed, the Trustee does not assume any duty or responsibility to any Transaction Party (other than to pay to any such party any moneys received and payable to it and to act in accordance with the provisions of Condition 6 and the Trust Deed) and will have regard solely to the interests of the Securityholders. The Trustee is not (subject to Conditions 6 and 15) obliged to act on any directions of any Transaction Party if this would, in the Trustee's opinion, be contrary to the interests of the Securityholders.

(t) Consent of Trustee

Except as otherwise expressly provided to the contrary, any consent or approval given by the Trustee may be on such terms and subject to such conditions as the Trustee reasonably thinks fit.

(u) Payment for and Delivery of ETC Securities

The Trustee will not be responsible for the receipt or application by the Issuer of the proceeds of the issue of the ETC Securities [If Bearer Securities text will apply or be inserted - , any exchange of ETC Securities or the delivery of ETC Securities to the persons entitled to them].

(v) Legal Opinion

The Trustee will not be responsible to any person for failing to request, require or receive any legal opinion relating to the ETC Securities or for checking or commenting upon the content of any such legal opinion.

(w) Programme Limit

The Trustee will not be concerned, and need not enquire, as to whether or not the ETC Securities are issued or entered into in breach of the Programme Maximum Number of ETC Securities.

(x) Events

The Trustee may determine whether or not an Event of Default is in its opinion capable of remedy. Any such determination will be conclusive and binding on the Issuer and the Securityholders. However, the Trustee is not under any obligation to monitor whether or not an Event of Default, a Potential Event of Default, an Early Redemption Event, a Disruption Event, a Secured Account Custodian Bankruptcy Event, a Subscription Account Custodian Bankruptcy Event, a Metal Agent Bankruptcy Event, a Balancing Agreement Event of Default, a Balancing Agreement Termination Event, a Suspension Event, a Determination Agent Bankruptcy Event, a transfer, novation or assignment of the Balancing Agreement, a substitution of the Price Source or a resignation or termination of an Agent's appointment has occurred or is continuing or to monitor compliance by the Agents, the Programme Counterparty or any other Transaction Party with any of their respective obligations under the Transaction Documents.

(y) Responsibility for Appointees

If the Trustee exercises reasonable care in selecting any custodian, agent, delegate or nominee (an “**Appointee**”), it will not have any obligation to supervise such Appointee or be responsible for any loss, liability, cost, claim, action, demand or expense incurred by reason of the Appointee’s misconduct or default or the misconduct or default of any substitute appointed by the Appointee.

(z) Notice in Respect of Appointees

The Trustee will, within a reasonable time prior to any delegation to an Appointee or any renewal, extension or termination thereof, give notice thereof (containing details of such appointment) to the Issuer (whereupon the Issuer shall copy such notice to the Arranger and the Programme Counterparty).

(aa) No Responsibility for Clearing Systems

None of the Issuer, the Trustee or any other Transaction Party will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

(bb) Certifications

The Trustee will be entitled to rely upon a certificate of any Transaction Party in respect of every matter and circumstance for which a certificate, calculation or determination is expressly provided under these Conditions and/or the relevant Transaction Documents and also in relation to any matter reasonably believed by the Trustee to be within the knowledge of the party certifying the same and the Trustee will not be bound in any such case to call for further evidence or be responsible for any loss, liability, costs, damages, expenses or inconvenience that may be occasioned by its failing so to do.

(cc) No Obligations to Monitor Transaction Parties Under the Trust Deed and the Security Deed

Pursuant to the Trust Deed and the Security Deed, the Trustee will not be obliged to monitor nor be liable for any failure to monitor the performance by any Transaction Party of its duties and obligations under the Transaction Documents to the Issuer or by any other person of its obligations to the Issuer. The Trustee may assume that such are being performed unless it has actual knowledge to the contrary. The Trustee will not be obliged to take any action or step against any such Transaction Party or other person (unless secured and/or pre-funded and/or indemnified to its satisfaction).

(dd) Certifications of Amounts Owed

The Trustee will be entitled to rely upon a certificate of any party to the Transaction Documents as to any amounts owing to any such party and will not be responsible for any loss occasioned by its relying and acting on such certificate.

(ee) Authorised Participants

The Trustee will not be responsible for monitoring or ascertaining whether there is one or more Authorised Participants or no Authorised Participant in respect of the ETC Securities or whether no Authorised Participant is willing to purchase any ETC Securities and, unless and until it receives express notice to the contrary, it will be entitled to assume that there is one or more Authorised Participants in respect of the ETC Securities and that one or more Authorised Participants is or are willing to purchase the ETC Securities.

(ff) Calculation of Metal Entitlement per ETC Security, Value per ETC Security and Redemption Amounts

In ascertaining any Metal Entitlement per ETC Security, Value per ETC Security, Final Metal Redemption Amount, Early Metal 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 Counterparty (in each case acting as agent of the Issuer or if the Trustee so requests as agent of the Trustee, as applicable) as to such amount.

(gg) Signed Documents

The Trustee will not incur liability to any person in acting upon any signature, instrument, notice, resolution, endorsement, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties.

(hh) Trustee Liable for Negligence

Section 1 of the Trustee Act 2000 will not apply to any function of the Trustee, provided that if the Trustee fails to show the degree of care and diligence required of it as trustee, nothing in these Conditions or the Security Deed [*If Bearer Securities, text will apply or be inserted* – or the Trust Deed] will relieve or indemnify the Trustee from or against any liability that would otherwise attach to it in respect of any negligence, wilful default, breach of duty or breach of trust of which it may be guilty. [*If Uncertificated Registered Securities, text will apply or be inserted* – In the purported execution of the trusts, powers and provisions of the Trust Deed, the Trustee will not be liable for any loss, liability, cost, claim, action, demand or expense arising in consequence of the failure, depreciation or loss of any investments made or retained in good faith or by reason of any mistake or omission made in good faith or of any other act, omission, matter or thing whatever except for breach of trust arising from fraud, wilful misconduct or negligence on the part of the Trustee.]

(ii) Waiver and Proof of Default

- (i) The Trustee may, without the consent of the Securityholders and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, if in its opinion the interests of the Securityholders will not be materially prejudiced thereby, waive or authorise, on such terms as seem expedient to it, any breach or proposed breach by the Issuer of the Trust Deed, the Conditions or any other Transaction Document or determine that an Event of Default or Potential Event of Default will not be treated as such provided that the Trustee will not do so in contravention of an express direction given by an Extraordinary Resolution. No such direction or request will affect a previous waiver, authorisation or determination. Any such waiver, authorisation or determination will be binding on the Securityholders and, if the Trustee so requires, will be notified to the Securityholders as soon as practicable.
- (ii) Proof that the Issuer has failed to make a payment of Principal when due under the Conditions to the holder of any one ETC Security will (unless the contrary be proved) be sufficient evidence that it has made the same default as regards all other ETC Securities that are then payable.

(jj) Trustee not Precluded from Entering into Contracts

The Trustee and any other person, whether or not acting for itself, may acquire, hold, deal in or dispose of any ETC Security or other security (or any interest therein) of the Issuer or any other person, may enter into or be interested in any contract or transaction with any such person and may act on, or as depositary or agent for, any committee or body of holders of any securities of

any such person in each case with the same rights as it would have had if the Trustee were not acting as Trustee and need not account for any profit.

(kk) Accumulation of Moneys

If the amount of the moneys at any time available to the Trustee for payment of Principal in respect of the ETC Securities in accordance with Condition 6(b) or 6(c), as applicable, is less than 10 per cent. of the aggregate Value per ETC Security of the ETC Securities then outstanding (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 Trust Deed or the Security Deed, as applicable, at its discretion, invest such moneys. The Trustee may retain such investments and accumulate the resulting income until the investments and the accumulations, together with any other funds for the time being under its control and available for such payment, amount to at least 10 per cent. of the aggregate Value per ETC Security of the ETC Securities then outstanding and then such investments, accumulations and funds (after deduction of, or provision for, any applicable Taxes) will be applied as specified in Condition 6(b) or 6(c), as applicable.

(ll) Investment

Pursuant to the terms of the Trust Deed and the Security Deed, moneys held by the Trustee may be (x) invested in its name or under its control in any investments or other assets anywhere whether or not they produce income or (y) deposited in its name or under its control at such bank or other financial institution in such currency as the Trustee may, in its absolute discretion, think fit. If that bank or institution is the Trustee or a subsidiary, holding or associated company of the Trustee, it need only account for an amount of interest equal to the standard amount of interest payable by it on such a deposit to an independent customer. The Trustee may, at any time, vary or transpose any such investments or assets or convert any moneys so deposited into any other currency, and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise provided that all such investments or assets invested in, or deposits made, by the Trustee will be in investments or assets denominated in the Specified Currency of the ETC Securities (and to the extent (if any) that sums received by the Trustee in respect of the ETC Securities are in a currency other than the Specified Currency of the ETC Securities, the Trustee may, for the purposes of making investments in accordance with the Trust Deed or Security Deed, as applicable, convert such sums into the Specified Currency of the ETC Securities and will not be responsible for any resulting loss, whether by depreciation in value, change in exchange rates or otherwise). In the event that the ETC Securities are rated by a Rating Agency at the request of the Issuer, all such investments or assets will, at the time of investment, be rated:

- (i) where the ETC Securities are rated by Fitch, AAA by Fitch (in the case of long-term investments or assets of more than one year), F1+ by Fitch (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by Fitch as being acceptable for being commensurate with the rating assigned to such ETC Securities;
- (ii) where the ETC Securities are rated by Moody's, Aaa by Moody's (in the case of long-term investments or assets of more than one year), P-1 by Moody's (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by Moody's as being acceptable for being commensurate with the rating assigned to such ETC Securities;
- (iii) where the ETC Securities are rated by S&P, AAA by S&P (in the case of long-term investments or assets of more than one year), A-1+ by S&P (in the case of short-term investments or assets of one year or less) or such alternative rating as may be advised by S&P as being acceptable for being commensurate with the rating assigned to such ETC Securities;

investments or assets of one year or less) or such alternative rating as may be advised by S&P as being acceptable for being commensurate with the rating assigned to such ETC Securities; and

- (iv) where the ETC Securities are rated by any other agency, such rating as may be advised by that rating agency as being acceptable for being commensurate with the rating assigned to such ETC Securities; and

in respect of the ETC Securities rated by a Rating Agency at the request of the Issuer, where any moneys are placed on deposit with a bank or financial institution, such bank or financial institution will, at the time of investment, be rated at least:

- (A) where the ETC Securities are rated by Fitch, F1+ by Fitch;
- (B) where the ETC Securities are rated by Moody's, P-1 by Moody's;
- (C) where the ETC Securities are rated by S&P, A-1+ by S&P; and
- (D) where the ETC Securities are rated by any other rating agency, such rating as may be advised by that rating agency for these purposes,

provided that, in relation to this Condition 20(II), if the ETC Securities are rated by more than one Rating Agency the higher of the ratings requirements in this Condition 20(II) and the Trust Deed in relation to the relevant Rating Agencies will apply.

(mm) Creditworthiness of the Transaction Parties

Pursuant to the Security Deed, the Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor for the creditworthiness (which the Trustee shall not investigate) of any Transaction Party, or the validity or enforceability of the obligations of any Transaction Party.

(nn) Ability to Borrow on Secured Property

Pursuant to the Security Deed, the Trustee may raise and borrow money on the security of the Secured Property or any part of it in order to defray moneys, costs, charges, losses and expenses paid or incurred by it in relation to the Security Deed (including the costs of realising any security and the remuneration of the Trustee) or in exercise of any of its functions pursuant to the Security Deed. The Trustee may raise and borrow such money on such terms as it shall think fit and may secure its repayment with interest by mortgaging or otherwise charging all or part of the Secured Property whether or not in priority to the Security constituted by or pursuant to the Security Deed and generally in such manner and form as the Trustee shall think fit and for such purposes may take such action as it shall think fit.

(oo) Liability of Trustee, Receiver, Attorneys or Agents

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

(pp) Deficiency Arising from Tax

Pursuant to the Security Deed, the Trustee will have no responsibility or liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which might arise because the Trustee, the Secured Account Custodian or the Subscription Account Custodian

is subject to any Tax in respect of any of the Secured Property, any income therefrom and/or the proceeds thereof.

(qq) Indemnity Under the Security Deed

Pursuant to the Security Deed, without prejudice to the right of indemnity by law given to trustees and subject to the provisions of Section 750 of the Companies Act 2006, the Trustee and every receiver, attorney, manager, agent or other person appointed by the Trustee under the Security Deed will be entitled to be indemnified out of the Secured Property in respect of all liabilities and expenses properly incurred by them or him in the execution or purported execution of the trusts or of any functions vested in them or him pursuant to the Security Deed and against all actions, proceedings, costs, claims and demands in respect of any acts or omissions relating to the Secured Property, and the Trustee may retain any part of any moneys in its hands arising from the trusts of the Security Deed to pay all sums necessary to effect such indemnity and also the remuneration of the Trustee. The Trustee shall have a lien on such Secured Property for all moneys payable to it under this Condition 20(qq), the Security Deed or otherwise. The Trustee is not obliged or required to take any step or action under or in connection with the ETC Securities, the Security Deed and/or any other Transaction Document which may involve it in incurring any personal liability or expense unless indemnified and/or secured and/or pre-funded to its satisfaction.

(rr) No Obligations to Monitor Transaction Parties Under the Security Deed

In acting as Trustee under the Security Deed, the Trustee will not be obliged to monitor or be liable for any failure to monitor the performance by any Transaction Party of its duties and obligations under the Transaction Documents to the Issuer or any other or by any other person of its obligations to the Issuer. The Trustee may assume that such are being performed unless it shall have actual knowledge to the contrary. The Trustee will not be obliged to take any action or step against any such Transaction Party or other person unless secured and/or pre-funded and/or indemnified to its satisfaction.

(ss) Validity of the Security

The Trustee assumes no responsibility for the validity, value, sufficiency or enforceability (which the Trustee has not investigated) of the Security purported to be created by the Security Deed. In addition, the Trustee has no duty to monitor the performance by the Agents or the Programme Counterparty of their obligations to the Issuer nor is it obliged (unless secured and/or pre-funded and/or indemnified to its satisfaction) to take any action or step which may involve the Trustee in any personal liability or expense. The Trustee will not be liable to any Securityholder, any Secured Creditor, any Other Creditor or any other person for any failure to make or cause to be made on its behalf the searches, investigations and enquiries which would normally be made by a prudent chargee, mortgagee or assignee in relation to the Secured Property.

(tt) Obligations of the Secured Account Custodian, the Subscription Account Custodian and any Sub-Custodian(s)

The Trustee will have no responsibility for the performance by the Secured Account Custodian, the Subscription Account Custodian or any Sub-Custodian of any of its respective obligations and will not be responsible for any claim arising from the fact that any property comprised in the Secured Property is held in safe custody by the Secured Account Custodian, the Subscription Account Custodian or any Sub-Custodian(s). The Trustee will have no liability to the Issuer, any Securityholder, any Secured Creditor or any Other Creditor as regards any deficiency which may arise because all or part of the Secured Property is held by the Secured Account Custodian, Subscription Account Custodian or any Sub-Custodian.

(uu) Voting Rights

Pursuant to the Security Deed, the Trustee need not exercise any voting or other such rights (including the exercise of options) it may have over or in respect of any property comprised in the Secured Property unless directed by an Extraordinary Resolution of the Securityholders and unless indemnified and/or pre-funded and/or secured to its satisfaction.

(vv) [If Bearer Securities, text will apply or be inserted – Forged ETC Securities

The Trustee will not be liable to the Issuer or any Securityholder, Secured Creditor or Other Creditor by reason of having accepted as valid or not having rejected any ETC Security purporting to be such and later found to be forged or not authentic.]

[If Uncertificated Registered Securities or Bearer Securities in CGN form, text will apply or be inserted - This Condition is intentionally left blank.]

21 Relevant Clearing System

None of the Issuer, the Trustee, the Agents or the Programme Counterparty will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

22 Contracts (Rights of Third Parties) Act 1999

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

23 Governing Law and Jurisdiction

(a) Governing Law

[If Bearer Securities, text will apply or be inserted – The Issue Deed, the Trust Deed, the Security Deed and the ETC Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.]

[If Uncertificated Registered Securities, text will apply or be inserted – The Trust Deed and the ETC Securities, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, Jersey law. The Issue Deed and the Security Deed, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, English law.]

(b) Jurisdiction

The courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any ETC Securities and, accordingly, any legal action or proceedings arising out of or in connection with any ETC Securities (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Service of Process

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

Annex 1 to the Master Terms and Conditions of the ETC Securities

PROVISIONS FOR MEETINGS OF SECURITYHOLDERS

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

Interpretation

- 1 In this Annex:
 - 1.1 references to a meeting are to a meeting of Securityholders of a single series of ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
 - 1.2 references to “**ETC Securities**” and “**Securityholders**” are only to the ETC Securities of the relevant Series in respect of which a meeting has been, or is to be, called and to the holders of these ETC Securities, respectively;
 - 1.3 “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Securityholder;
 - 1.4 “**block voting instruction**” means an instruction issued in accordance with paragraphs 9 to 15;
 - 1.5 “**voting certificate**” means a certificate issued in accordance with paragraphs 6, 7, 8 and 15; and
 - 1.6 references to persons representing a proportion of the ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the ETC Securities for the time being outstanding.

Powers of Meetings

- 2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by the relevant Trust Deed, have power by Extraordinary Resolution:
 - 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer, whether or not those rights arise under the relevant Trust Deed or the relevant Security Deed;
 - 2.2 to sanction the exchange or substitution for the ETC Securities of, or the conversion of the ETC Securities into, shares, bonds or other obligations or securities of the Issuer or any other entity;
 - 2.3 to assent to any modification of the relevant Trust Deed, the relevant Security Deed or the ETC Securities proposed by the Issuer or the Trustee;
 - 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
 - 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
 - 2.6 to appoint any persons (whether Securityholders or not) as a committee or committees to represent the Securityholders’ interests and to confer on them any powers or discretions which the Securityholders could themselves exercise by Extraordinary Resolution;
 - 2.7 to approve a proposed new Trustee and to remove a Trustee;
 - 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the relevant Trust Deed and the relevant Security Deed; and
 - 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the relevant Trust Deed or the ETC Securities,

provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of sub-paragraph 2.2 or 2.8, any of the proposals listed in Condition 16(a) as being subject to a special quorum resolution or any amendment to this proviso.

Convening a Meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Securityholders holding at least 5 per cent. in number of the ETC Securities of any Series for the time being outstanding and is indemnified 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 ETC Securities of the relevant Series are listed on the Frankfurt Stock Exchange, the location of any meeting of Securityholders will be Frankfurt, Germany. Any meeting of Securityholders will be notified to the Securityholders by or on behalf of the Issuer at least 21 calendar days prior to the day on which the meeting shall take place. Such notice will state the name and the registered office of the Issuer, the nature of the business to be transacted at the meeting, the time and place of the meeting and will set out the requirements that a Securityholder will have to fulfil in order to attend and vote at the meeting and the conditions that apply to the casting of votes. In addition to publication of the notice of any such meeting in accordance with the terms of the relevant Trust Deed, the notice of any such meeting must be published by the Issuer in the German electronic Federal Gazette (*elektronischer Bundesanzeiger*) and on the website of the Issuer. A non-binding German translation of the English language version of each notice, voting certificate and any other documents relating to any such meeting as indicated in the notice convening such meeting will be available to Securityholders.

Arrangements for Voting

- 6 If a holder of a Bearer Security wishes to obtain a voting certificate in respect of it for a meeting, he must deposit it for that purpose at least 48 hours before the time fixed for the meeting with a Paying Agent or to the order of a Paying Agent with a bank or other depositary nominated by the Paying Agent for the purpose. The Paying Agent shall then issue a voting certificate in respect of that Bearer Security.

For the avoidance of doubt, for so long as the ETC Securities are Bearer Securities represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depositary, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the holder of the Bearer Securities for the purposes of the preceding paragraph shall be such Relevant Clearing System, common depositary, common safekeeper or nominee, as applicable, provided that for the purposes of ascertaining who is entitled to attend and vote, or to appoint a proxy to attend and vote, at any meeting convened to pass an Extraordinary Resolution (including a special quorum resolution), a person who is or persons who are shown in the records of the Relevant Clearing System as a holder or holders of ETC Securities represented by a Global Security shall be treated by the Issuer, the Transaction Parties and the bearer of such Global Security as though it is or they are the holder or holders of such Global Security.

Voting Certificate

- 7** A voting certificate shall:
- 7.1 be a document in the English language;
 - 7.2 be dated;
 - 7.3 specify the meeting concerned and the certificate numbers of the ETC Securities deposited; and
 - 7.4 entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those ETC Securities.
- 8** Once a Paying Agent has issued a voting certificate for a meeting in respect of an ETC Security, it shall not release the ETC Security until either:
- 8.1 the meeting has been concluded; or
 - 8.2 the voting certificate has been surrendered to the Paying Agent.

Block Voting

- 9** If a holder of a Bearer Security wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) he must deposit the Bearer Security for that purpose with a Paying Agent or to the order of a Paying Agent with a bank or other depository nominated by the Paying Agent for the purpose and (ii) he or a duly authorised person on his behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Bearer Securities so deposited.
- 10** A block voting instruction shall:
- 10.1 be a document in the English language;
 - 10.2 be dated;
 - 10.3 specify the meeting concerned;
 - 10.4 list the total number and serial numbers of the ETC Securities deposited, distinguishing with regard to each resolution between those voting for and those voting against it;
 - 10.5 certify that such list is in accordance with ETC Securities deposited and directions received as provided in paragraphs 9, 12 and 15; and
 - 10.6 appoint a named person (a “**proxy**”) to vote at that meeting in respect of those ETC Securities and in accordance with that list. A proxy need not be a Securityholder.
- 11** Once the Issuing and Paying Agent or other relevant Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any ETC Securities:
- 11.1 it shall not release the ETC Securities, except as provided in paragraph 12, until the meeting has been concluded; and
 - 11.2 the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.
- 12** If the receipt for an ETC Security deposited with the Issuing and Paying Agent or other relevant Paying Agent in accordance with paragraph 9 is surrendered to the Issuing and Paying Agent or such other relevant Paying Agent, as applicable, at least 48 hours before the time fixed for the meeting, the Issuing and Paying Agent or such other relevant Paying Agent, as applicable, shall release the ETC Security and exclude the votes attributable to it from the block voting instruction.

- 13 Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at such place as the Trustee shall designate or approve, and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. If the Trustee requires, a notarially certified copy of each block voting instruction shall be produced by the proxy at the meeting but the Trustee need not investigate or be concerned with the validity of the proxy's appointment.
- 14 A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Securityholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the Issuing and Paying Agent or other relevant Paying Agent by the Issuer or the Trustee at its registered office or by the chairman of the meeting in each case at least 24 hours before the time fixed for the meeting.
- 15 No ETC Security may be deposited with or to the order of the Issuing and Paying Agent or other relevant Paying Agent at the same time for the purposes of both paragraph 6 and paragraph 9 for the same meeting.

Chairman

- 16 The chairman of a meeting shall be such person as the Trustee may nominate in writing, but, if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the Securityholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Securityholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 17 The following may attend and speak at a meeting:
 - 17.1 Securityholders and agents;
 - 17.2 the chairman;
 - 17.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers;
 - 17.4 the Lead Authorised Participant and the relevant Authorised Participant(s) in respect of the relevant Series of ETC Securities and their respective legal and financial advisers; and
 - 17.5 the Programme Counterparty relating to the relevant Series of ETC Securities and their respective legal and financial advisers.

No one else may attend or speak.

Quorum and Adjournment

- 18 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Securityholders or if the Issuer and the Trustee agree, be dissolved. In any other case, it shall be adjourned until such date, not less than 14 nor more than 42 calendar days later, and time and place as the chairman may decide (the "**adjourned meeting**"). If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

19

- 19.1 At a meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 50 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such meeting (other than an adjourned meeting or a meeting convened for the purpose of passing a special quorum meeting).
- 19.2 At a meeting convened for the purpose of passing a special quorum resolution, the quorum shall be one or more Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.
- 19.3 At an adjourned meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 25 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such adjourned meeting (including, for the avoidance of doubt, any special quorum resolution).
- 20 The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph 20 or paragraph 18.
- 21 At least 14 calendar days' prior notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

- 22 Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Trustee or one or more persons representing 2 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.
- 23 A resolution (other than a special quorum resolution or an Extraordinary Resolution) shall only be passed at a meeting if one or more Securityholders or agents holding or representing in aggregate not less than 50 per cent. of the votes cast at the meeting vote in favour of passing such resolution.
- 24 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against it.
- 25 If a poll is demanded, it shall be taken in such manner and (subject as provided in paragraph 26) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 26 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 27 On a show of hands, every person who is present in person and who produces a Bearer Security or a voting certificate or is a proxy or representative has one vote. On a poll, every such person has one vote in respect of each ETC Security of such Series of ETC Securities so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the

obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

Effect and Publication of an Extraordinary Resolution

- 28** An Extraordinary Resolution shall be binding on all the Securityholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of an Extraordinary Resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Securityholders within 14 calendar days but failure to do so shall not invalidate such an Extraordinary Resolution.
- 29** A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of ETC Securities outstanding who for the time being are entitled to receive notice of a meeting held in accordance with these provisions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with these provisions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Securityholders.
- 30** If ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the ETC Securities require, a copy of each resolution passed shall be published by the Issuer in the German electronic Federal Gazette (*elektronischer Bundesanzeiger*) and on the website maintained for the Issuer.

Minutes

- 31** Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved, every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.
- 32** If ETC Securities are listed on the Frankfurt Stock Exchange and/or the laws and regulations applicable to the ETC Securities require, a copy of the minutes shall be notarised by a notary.

Trustee's Power to Prescribe Regulations

- 33** Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of ETC Securities, the Trustee may, without the consent of the Securityholders, prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with the relevant Trust Deed are entitled to do so and as to the form of voting certificates or block voting instructions so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.
- 34** The foregoing provisions of this Annex shall have effect subject to the following provisions:
- 34.1** Meetings of Securityholders of separate Series will normally be held separately. However, the Trustee may, from time to time, determine that meetings of Securityholders of separate Series shall be held together.
- 34.2** A resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Securityholders of the Series concerned.

- 34.3 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series but does not give rise to a conflict of interest between the Securityholders of the different Series concerned shall only be deemed to have been duly passed if passed at a single meeting of the Securityholders of the relevant Series, provided that, for the purposes of determining the votes a Securityholder is entitled to cast pursuant to paragraph 27, each Securityholder shall have one vote in respect of each ETC Security held.
- 34.4 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series and gives or may give rise to a conflict of interest between Securityholders of the different Series concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Securityholders of the relevant Series.
- 34.5 To all such meetings as aforesaid, all the preceding provisions of this Annex shall *mutatis mutandis* apply as though references therein to ETC Securities and to Securityholders were references to the ETC Securities and Securityholders of the Series concerned.]

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

Interpretation

- 1 In this Annex:
 - 1.1 references to a meeting are to a meeting of Securityholders of a single series of ETC Securities and include, unless the context otherwise requires, any adjournment of such meeting;
 - 1.2 references to “**ETC Securities**” and “**Securityholders**” are only to the ETC Securities of the relevant Series in respect of which a meeting has been, or is to be, called and to the holders of these ETC Securities, respectively;
 - 1.3 “**agent**” means a holder of a voting certificate or a proxy for, or representative of, a Securityholder; and
 - 1.4 references to persons representing a proportion of the ETC Securities are to Securityholders or agents holding or representing in the aggregate at least that proportion in number of the ETC Securities for the time being outstanding.

Powers of Meetings

- 2 A meeting shall, subject to the Conditions and without prejudice to any powers conferred on other persons by the relevant Trust Deed, have power by Extraordinary Resolution:
 - 2.1 to sanction any proposal by the Issuer or the Trustee for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer, whether or not those rights arise under the relevant Trust Deed or the relevant Security Deed;
 - 2.2 to sanction the exchange or substitution for the ETC Securities of, or the conversion of the ETC Securities into, shares, bonds or other obligations or securities of the Issuer or any other entity;
 - 2.3 to assent to any modification of the relevant Trust Deed, the relevant Security Deed or the ETC Securities proposed by the Issuer or the Trustee;
 - 2.4 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;
 - 2.5 to give any authority, direction or sanction required to be given by Extraordinary Resolution;
 - 2.6 to appoint any persons (whether Securityholders or not) as a committee or committees to represent the Securityholders’ interests and to confer on them any powers or discretions which the Securityholders could themselves exercise by Extraordinary Resolution;
 - 2.7 to approve a proposed new Trustee and to remove a Trustee;
 - 2.8 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the relevant Trust Deed and the relevant Security Deed; and
 - 2.9 to discharge or exonerate the Trustee from any liability in respect of any act or omission for which it may become responsible under the relevant Trust Deed or the ETC Securities,

provided that the special quorum provisions in paragraph 11 shall apply to any Extraordinary Resolution (a “**special quorum resolution**”) for the purpose of sub-paragraph 2.2 or 2.8, any of the proposals listed in Condition 16(a) as being subject to a special quorum resolution or any amendment to this proviso.

Convening a Meeting

- 3 The Issuer or the Trustee may at any time convene a meeting. If it receives a written request by Securityholders holding at least 5 per cent. in number of the ETC Securities of any Series for the time being outstanding and is indemnified 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 and the details of the time limits applicable.

Arrangements for Voting

- 5 A holder of an Uncertificated Registered Security may, by an instrument in writing in the form available from the specified office of the Registrar or the Transfer Agent (as the case may be) in the English language executed by or on behalf of the holder and delivered to the Registrar or the Transfer Agent (as the case may be) at least 48 hours before the time fixed for a meeting, appoint any person (a "**proxy**") to act on his behalf in connection with that meeting. A proxy need not be a Securityholder.
- 6 A corporation which holds an Uncertificated Registered Security may by delivering to the Registrar or the Transfer Agent (as the case may be) at least 48 hours before the time fixed for a meeting a certificated copy of a resolution of its directors or other governing body (with, if it is not in English, a certified translation into English) authorise any person to act as its representative (a "**representative**") in connection with that meeting.
- 7 Any proxy or sub-proxy so appointed or representative so appointed shall, so long as such appointment remains in full force, be deemed, for all purposes in connection with the relevant meeting or adjourned meeting of the Securityholders, to be the holder of the Uncertificated Registered Securities to which such appointment relates and the holder of the ETC Securities shall be deemed for such purposes not to be the holder or owner, respectively.

Chairman

- 8 The chairman of a meeting shall be such person as the Trustee may nominate in writing, but, if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting, the Securityholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Securityholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

Attendance

- 9 The following may attend and speak at a meeting:
 - 9.1 Securityholders and agents and their proxies or representatives;
 - 9.2 the chairman;
 - 9.3 the Issuer and the Trustee (through their respective representatives) and their respective financial and legal advisers;

9.4 the Lead Authorised Participant and the relevant Authorised Participant(s) in respect of the relevant Series of ETC Securities and their respective legal and financial advisers; and

9.5 the Programme Counterparty relating to the relevant Series of ETC Securities and their respective legal and financial advisers.

No one else may attend or speak.

Quorum and Adjournment

10 No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Securityholders or if the Issuer and the Trustee agree, be dissolved. In any other case, it shall be adjourned until such date, not less than 14 nor more than 42 calendar days later, and time and place as the chairman may decide (the “**adjourned meeting**”). If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

11

11.1 At a meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 50 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such meeting (other than an adjourned meeting or a meeting convened for the purpose of passing a special quorum meeting).

11.2 At a meeting convened for the purpose of passing a special quorum resolution, the quorum shall be one or more Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.

11.3 At an adjourned meeting, one or more Securityholders or agents present in person holding or representing in the aggregate not less than 25 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding shall form a quorum for the purpose of passing an Extraordinary Resolution at such adjourned meeting (including, for the avoidance of doubt, any special quorum resolution).

12 The chairman may, with the consent of (and shall if directed by) a meeting, adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph 12 or paragraph 10.

13 At least 14 calendar days' prior notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

Voting

14 Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Trustee or one or more persons representing 2 per cent. of the aggregate number of ETC Securities of the relevant Series outstanding.

15 A resolution (other than a special quorum resolution or an Extraordinary Resolution) shall only be passed at a meeting if one or more Securityholders or agents holding or representing in aggregate not less than 50 per cent. of the votes cast at the meeting vote in favour of passing such resolution.

- 16 Unless a poll is demanded, a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against it.
- 17 If a poll is demanded, it shall be taken in such manner and (subject as provided in paragraph 18) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.
- 18 A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.
- 19 On a show of hands, every person who is present in person and who is a proxy or representative has one vote. On a poll every such person has one vote in respect of each ETC Security of such Series of ETC Securities for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

Effect and Publication of an Extraordinary Resolution

- 20 An Extraordinary Resolution shall be binding on all the Securityholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of an Extraordinary Resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Securityholders within 14 calendar days but failure to do so shall not invalidate such an Extraordinary Resolution.
- 21 A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of ETC Securities outstanding who for the time being are entitled to receive notice of a meeting held in accordance with these provisions shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Securityholders duly convened and held in accordance with these provisions. Such resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Securityholders.

Minutes

- 22 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

Trustee's Power to Prescribe Regulations

- 23 Subject to all other provisions in the relevant Trust Deed and any laws and regulations applicable to the relevant Series of ETC Securities, the Trustee may, without the consent of the Securityholders, prescribe such further regulations regarding the holding of meetings and attendance and voting at them as it in its sole discretion determines including (without limitation) such requirements as the Trustee thinks reasonable to satisfy itself that the persons who purport to make any requisition in accordance with the relevant Trust Deed are entitled to do so and so as to satisfy itself that persons who purport to attend or vote at a meeting are entitled to do so.

- 24** The foregoing provisions of this Annex shall have effect subject to the following provisions:
- 24.1 Meetings of Securityholders of separate Series will normally be held separately. However, the Trustee may, from time to time, determine that meetings of Securityholders of separate Series shall be held together.
 - 24.2 A resolution that in the opinion of the Trustee affects one Series alone shall be deemed to have been duly passed if passed at a separate meeting of the Securityholders of the Series concerned.
 - 24.3 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series but does not give rise to a conflict of interest between the Securityholders of the different Series concerned shall only be deemed to have been duly passed if passed at a single meeting of the Securityholders of the relevant Series, provided that, for the purposes of determining the votes a Securityholder is entitled to cast pursuant to paragraph 19, each Securityholder shall have one vote in respect of each ETC Security held.
 - 24.4 A resolution that in the opinion of the Trustee affects the Securityholders of more than one Series and gives or may give rise to a conflict of interest between Securityholders of the different Series concerned shall be deemed to have been duly passed only if it shall be duly passed at separate meetings of the Securityholders of the relevant Series.
 - 24.5 To all such meetings as aforesaid, all the preceding provisions of this Annex shall *mutatis mutandis* apply as though references therein to ETC Securities and to Securityholders were references to the ETC Securities and Securityholders of the Series concerned.]

FURTHER INFORMATION CONCERNING CERTAIN TRANSACTION DOCUMENTS

The following is a summary of certain provisions of certain Transaction Documents relating to the Programme and the ETC Securities and should be read in conjunction with the rest of this Base Prospectus. The summaries below are of certain provisions of the Transaction Documents and do not purport to be complete and are subject to the detailed provisions of the relevant Transaction Documents.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in Conditions.

Issue Deed

The Issue Deed relating to a Series of ETC Securities will be dated on or about the Series Issue Date of such ETC Securities and will be entered into by the Issuer, the Trustee and the other parties named therein. The Issue Deed is entered into for the purpose of constituting and securing the relevant Series of ETC Securities and sets out the terms of the Transaction Documents relating to such Series of ETC Securities. Under the terms of the Issue Deed relating to a Series of ETC Securities, the execution of the Issue Deed will constitute the Trust Deed, the Security Deed, the Agency Agreement, the Custody Agreement for Secured Accounts, the Custody Agreement for the Subscription Account, the Determination Agent Agreement, the Authorised Participant Agreement, the Metal Agent Agreement and the Balancing Agreement for such Series of ETC Securities on the terms set out in the Issue Deed.

Trust Deed

Provisions Relating to the Issuer and the Trustee

The Trust Deed relating to a Series of ETC Securities will be entered into as a deed by the Issuer, the Trustee and each other party thereto upon the execution of the Issue Deed. The Issue Deed will incorporate and may amend and/or supplement, depending on whether the ETC Securities are Bearer Securities or Uncertificated Registered Securities, either the Master Trust Terms for Bearer Securities or the Master Trust Terms for Uncertificated Registered Securities. The relevant Trust Deed contains the provisions setting out the various obligations of the Issuer and the Trustee with respect to the relevant Series of ETC Securities. Each Trust Deed relating to a Series of ETC Securities in bearer form will be governed by and construed in accordance with English law. Each Trust Deed relating to a Series of ETC Securities in uncertificated dematerialised form will be governed by and construed in accordance with Jersey law.

The relevant Trust Deed will constitute the ETC Securities of the relevant Series and will set out the covenants of the Issuer, including, *inter alia*, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the relevant Trust Deed (most importantly, in relation to the issue of the ETC Securities) and its duties with respect to its obligations under the ETC Securities.

Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties. The Trustee in respect of a Series of ETC Securities may retire upon giving not less than 60 calendar day's prior written notice to the Issuer, and the Securityholders may by Extraordinary Resolution remove any Trustee, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor Trustee. If the sole trust corporation in respect of a Series of ETC Securities gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that

another trust corporation is appointed as the Trustee for such Series but if it fails to do so before the expiry of such 60 calendar day notice period, the Trustee will have the power to appoint a new Trustee.

Security Deed

By executing the relevant Issue Deed, the Issuer and the Trustee will be deemed to have entered into an English law governed security deed in relation to the relevant Series of ETC Securities on the terms set out in the relevant version of the Master Security Terms as amended or supplemented by such Issue Deed. The Security in respect of a Series of ETC Securities is constituted pursuant to the Security Deed relating to such Series and the Security Deed will set out, *inter alia*, provisions relating to the creation and enforcement of the Security, the appointment of receivers, the rights of the Trustee in relation to Secured Property and provisions relating to the application of the net proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement). See Condition 6 for a description of the terms of the Security.

Agency Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed agency agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Agency Terms as amended or supplemented by such Issue Deed with each person executing the Issue Deed in the capacity of Issuing and Paying Agent, Determination Agent, Trustee, Paying Agent, Registrar and Transfer Agent (as applicable). The Agency Agreement sets out the duties and obligations of the Issuing and Paying Agent, each other Paying Agent (as applicable) and, if applicable, the Transfer Agent and the Registrar in relation to (i) the issue, payment, replacement, cancellation and listing of the ETC Securities, (ii) the exchange of Global Securities for Definitive Securities (if applicable), and (iii) the basis for the remuneration and indemnification of such agents in respect of their respective duties. The Agency Agreement also sets out the terms for the appointment, resignation (by at least 60 calendar days' prior notice to the Issuer, the Trustee and the Issuing and Paying Agent) and termination of the appointment of the Issuing and Paying Agent and, as applicable, any Paying Agent, the Registrar and any Transfer Agent (by at least 60 calendar days' prior notice from the Issuer or on the occurrence of certain events, such as where such agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Custody Agreement for Secured Accounts

By executing the relevant Issue Deed, the Issuer, the Trustee, the Programme Counterparty, the Determination Agent, the Secured Account Custodian and the Metal Agent will be deemed to have entered into an English law governed custody agreement for secured accounts in relation to the ETC Securities on the terms set out in the relevant version of the Master Custody Terms for Secured Accounts as amended or supplemented by such Issue Deed. Each Custody Agreement for Secured Accounts sets out the duties of the Secured Account Custodian in relation to the relevant Series of ETC Securities, including, *inter alia*:

- (i) the obligation to establish and maintain (a) a segregated account in the name of the Issuer referencing the relevant Series of ETC Securities for the deposit of Metal in allocated form to be held for the Issuer and (b) a segregated account in the name of the Issuer referencing the relevant Series of ETC Securities for the deposit of Metal in unallocated form to be held for the Issuer; and

- (ii) in the case of metal in allocated form, to segregate the Metal transferred to it or keep any Metal deposited pursuant to the relevant Custody Agreement for Secured Accounts separately identified from that deposited with it in relation to any other Series of ETC Securities.

Each Custody Agreement for Secured Accounts relating to a Series of ETC Securities provides, *inter alia*, that the Secured Account Custodian will use all reasonable care in the performance of its duties but it will not be responsible for any loss or damage suffered by any party as a result of the Secured Account Custodian performing its duties under the Custody Agreement for Secured Accounts unless such loss or damage results from the fraud, bad faith, negligence or wilful default of the Secured Account Custodian. None of the Secured Account Custodian or any Sub-Custodian will have any obligation towards or relationship of agency or trust with the holder of any ETC Security.

Pursuant to the terms of each Custody Agreement for Secured Accounts, the Secured Account Custodian waives any right it has to acquire, combine, consolidate or merge any of the accounts established and maintained by it in relation to the relevant Series of ETC Securities with any other account and agrees that it may not set-off, transfer, combine, consolidate or withhold delivery of any property standing to the credit of any such account towards any liabilities to it.

Each Custody Agreement for Secured Accounts relating to a Series of ETC Securities provides that the Secured Account Custodian may hold Metal in allocated form received, delivered or deposited with it in relation to a Series of ETC Securities with any of its offices or branches or with any Sub-Custodian (selected with reasonable skill, care and diligence) provided that the Secured Account Custodian, *inter alia*:

- (i) identifies such property in its books; and
- (ii) uses reasonable endeavours to procure that any such Sub-Custodian establishes and maintains one or more segregated account(s) or sub-account(s) in the name of the Secured Account Custodian referencing the Issuer and the relevant Series of ETC Securities; acknowledges and agrees that all property deposited with or received by it is to be held for the Secured Account Custodian on behalf of the Issuer; maintains full and complete records and separately identifies such property in its books and records and acknowledges the security in favour of the Trustee.

Each Custody Agreement for Secured Accounts relating to a Series of ETC Securities provides that the Secured Account Custodian will hold Metal in unallocated form deposited with it in relation to a Series of ETC Securities in an account established at its London branch.

Each Custody Agreement for Secured Accounts relating to a Series of ETC Securities will set out the basis for the remuneration and indemnification of the Secured Account Custodian in respect of its duties. The relevant Custody Agreement for Secured Accounts will set out the conditions for appointment, resignation (upon 60 calendar days' prior notice to the Issuer, the Trustee, the Issuing and Paying Agent and the Programme Counterparty) and termination of the appointment of the Secured Account Custodian (by the Issuer upon 60 calendar days' prior notice or automatically upon the occurrence of a Custodian Bankruptcy Event).

Pursuant to the terms of the Custody Agreement for Secured Accounts, the Secured Account Custodian has no duty or obligation to insure any property held or received by it for the Issuer against any risk (including the risk of theft, loss, damage, destruction or misdelivery). The Secured Account Custodian will not be liable for any loss, destruction or depreciation in the value of any Secured Property held or received by it unless such loss, destruction or depreciation is the direct result of the Secured Account Custodian's negligence, fraud, bad faith or wilful misconduct. The Secured Account Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any Sub-Custodian, broker or counterparty. The Secured Account Custodian is only responsible for losses suffered by the Issuer as a direct result of its negligence, fraud, bad faith or wilful default in the appointment and monitoring of any non-affiliated Sub-Custodian. Otherwise, the Secured Account

Custodian will not be liable for any act or omission, or for the solvency, of any non-affiliated Sub-Custodian. Notwithstanding the foregoing, the Secured Account Custodian accepts the same level of responsibility as it does for itself for companies controlled by it whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the rules of the FCA as set out in the FCA Handbook of Rules and Guidance as amended, varied or instituted from time to time as from time to time in effect. In the case of any act or omission on the part of a Sub-Custodian or its agent relating to Secured Property in the form of Metal, which the Issuer considers to involve negligence, fraud, bad faith or wilful default on the part of such Sub-Custodian or agent, the Secured Account Custodian agrees to assign to the Issuer any rights it may have in respect of such act or omission and any Metal comprising the Secured Property. In the event that the Issuer obtains legal advice that such assignment would be ineffective to enable the Issuer to pursue its claim, then the Secured Account Custodian may, subject to being prefunded, indemnified or secured to its satisfaction, claim and pursue the appropriate damages or compensation from the Sub-Custodian or agent on the Issuer's behalf.

The Secured Account Custodian will not be liable in respect of anything done or suffered by it in reliance on any instruction, notice, agreement or other document or information from any electronic or other source reasonably believed by it to be genuine and to have been signed or otherwise given or disseminated by the proper parties in each case received by it in connection with the performance of its duties under the Custody Agreement for Secured Accounts. The Secured Account Custodian is entitled to rely, in the absence of manifest error, upon the accuracy and completeness of information supplied to it by any party pursuant to the Custody Agreement for Secured Accounts and has no obligation to enquire as to the adequacy, accuracy or sufficiency of any such information and the Secured Account Custodian will not incur any liability to any person as a result of such reliance. The Secured Account Custodian has no obligation to notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default or an Early Redemption Event has occurred or if the Security relating to the relevant Series of ETC Securities has become enforceable. Until it has actual knowledge or express notice to the contrary, the Secured Account Custodian may assume that no such event has occurred and that the Issuer and all other Transaction Parties are performing all their respective obligations under the ETC Securities and the other Transaction Documents. The Secured Account Custodian is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Secured Account Custodian will not be responsible for any errors made by the Issuer, the Trustee, the Determination Agent, any Programme Counterparty or any Metal Agent or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

Custody Agreement for the Subscription Account

By executing the relevant Issue Deed, the Issuer, the Trustee, the Programme Counterparty, the Determination Agent and the Subscription Account Custodian will be deemed to have entered into an English law governed custody agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Custody Terms for the Subscription Account as amended or supplemented by such Issue Deed. Each Custody Agreement for the Subscription Account sets out the duties of the Subscription Account Custodian in relation to the relevant Series of ETC Securities, including the obligation to establish and maintain a segregated account in the name of the Issuer referencing the relevant Series of ETC Securities for the deposit of Metal in unallocated form to be held for the Issuer.

Each Custody Agreement for the Subscription Account relating to a Series of ETC Securities provides, *inter alia*, that the Subscription Account Custodian will use all reasonable care in the performance of its

duties but it will not be responsible for any loss or damage suffered by any party as a result of the Subscription Account Custodian performing its duties under the Custody Agreement for the Subscription Account unless such loss or damage results from the fraud, bad faith, negligence or wilful default of the Subscription Account Custodian. The Subscription Account Custodian will not have any obligation towards or relationship of agency or trust with the holder of any ETC Security.

Pursuant to the terms of each Custody Agreement for the Subscription Account, the Subscription Account Custodian waives any right it has to acquire, combine, consolidate or merge the Subscription Account established and maintained by it in relation to the relevant Series of ETC Securities with any other account of the Issuer and agrees that it may not set-off, transfer, combine, consolidate or withhold delivery of any property standing to the credit of any such account towards any liabilities to it.

Each Custody Agreement for the Subscription Account relating to a Series of ETC Securities provides that the Subscription Account Custodian will hold Metal in unallocated form deposited with it in relation to a Series of ETC Securities in an account established at its London branch.

Each Custody Agreement for the Subscription Account relating to a Series of ETC Securities will set out the basis for the remuneration and indemnification of the Subscription Account Custodian in respect of its duties. The relevant Custody Agreement for the Subscription Account will set out the conditions for appointment, resignation (upon 60 calendar days' prior notice to the Issuer, the Trustee, the Issuing and Paying Agent and each Authorised Participant) and termination of the appointment of the Subscription Account Custodian (by the Issuer upon 60 calendar days' prior notice or automatically upon the occurrence of a Custodian Bankruptcy Event in respect of the Subscription Account Custodian).

Pursuant to the terms of the Custody Agreement for the Subscription Account, the Subscription Account Custodian has no duty or obligation to insure any property held or received by it for the Issuer against any risk (including the risk of theft, loss, damage, destruction or misdelivery). The Subscription Account Custodian will not be liable for any loss, destruction or depreciation in the value of any Metal held or received by it unless such loss, destruction or depreciation is the direct result of the Subscription Account Custodian's negligence, fraud, bad faith or wilful misconduct. The Subscription Account Custodian is not responsible for the acts, omissions, defaults or insolvency of any third party including, but not limited to, any broker or counterparty. Notwithstanding the foregoing, the Subscription Account Custodian accepts the same level of responsibility as it does for itself for companies controlled by it whose business consists solely of acting as a nominee holder of investments or other property in respect of any requirements of the rules of the FCA as set out in the FCA Handbook of Rules and Guidance as amended, varied or instituted from time to time as from time to time in effect.

The Subscription Account Custodian will not be liable in respect of anything done or suffered by it in reliance on any instruction, notice, agreement or other document or information from any electronic or other source reasonably believed by it to be genuine and to have been signed or otherwise given or disseminated by the proper parties in each case received by it in connection with the performance of its duties under the Custody Agreement for the Subscription Account. The Subscription Account Custodian is entitled to rely, in the absence of manifest error, upon the accuracy and completeness of information supplied to it by any party pursuant to the Custody Agreement for the Subscription Account and has no obligation to enquire as to the adequacy, accuracy or sufficiency of any such information and the Subscription Account Custodian will not incur any liability to any person as a result of such reliance. The Subscription Account Custodian has no obligation to notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default or an Early Redemption Event has occurred or if the Security relating to the relevant Series of ETC Securities has become enforceable. Until it has actual knowledge or express notice to the contrary, the Subscription Account Custodian may assume that no such event has occurred and that the Issuer and all other Transaction Parties are performing all their respective obligations under the ETC Securities and the other Transaction Documents. The Subscription Account Custodian is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may

assume these are being so performed unless and until it has actual knowledge to the contrary. The Subscription Account Custodian will not be responsible for any errors made by the Issuer, the Trustee, the Issuing and Paying Agent, the Determination Agent, any Programme Counterparty or any Authorised Participant or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

Determination Agent Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed determination agent agreement in relation to the relevant Series of ETC Securities on the terms set out in the relevant version of the Master Determination Agent Terms, as amended or supplemented by such Issue Deed with the persons executing the Issue Deed in the capacity of Determination Agent, Programme Counterparty, Lead Authorised Participant, Secured Account Custodian, Subscription Account Custodian, Trustee and Issuing and Paying Agent. The Determination Agent Agreement sets out the respective duties and obligations of the Determination Agent and the Programme Counterparty in relation to the relevant Series of ETC Securities and the basis for their respective liability, remuneration and indemnification. Each Determination Agent Agreement sets out the conditions for appointment, resignation and termination of the Determination Agent and the Programme Counterparty.

The Issuer may at any time vary the appointment of the Determination Agent or terminate the appointment of any Determination Agent relating to a Series of ETC Securities on giving the Determination Agent (copied to each other Transaction Party (other than the Authorised Participant(s) and the Lead Authorised Participant)) not less than 60 calendar days' prior notice to that effect. Any variation in the appointment of the Determination Agent will not be effective unless the Determination Agent has consented to such variation. Notwithstanding the foregoing, the Issuer may, at any time, terminate the appointment of a Determination Agent with immediate effect if: (i) the Determination Agent commits any material breach of its obligations under the relevant Determination Agent Agreement and, to the extent such breach is capable of being remedied, the Determination Agent fails to cure such breach within 15 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Counterparty of such breach or (ii) the Determination Agent commits any breach of its obligations under the relevant Determination Agent Agreement and, to the extent such breach is capable of being remedied, the Determination Agent fails to cure such breach within 30 calendar days of its becoming aware of, or its receiving notice from the Issuer, the Trustee or the Programme Counterparty of such breach.

Under the Determination Agent Agreement the Issuer will authorise the Programme Counterparty in its capacity as the Issuer's agent to exercise the rights of the Issuer to terminate the appointment of the Determination Agent in respect of the relevant Series of ETC Securities pursuant to the preceding paragraph, provided that the Programme Counterparty can only exercise such rights on behalf of the Issuer where the Programme Counterparty (i) reasonably determines that the Determination Agent is not performing its duties and obligations under the Relevant Provisions on the terms expressly provided therein, (ii) has reasonable cause to believe that the Determination Agent will not perform or will not be able to perform its duties and obligations under the Relevant Provisions on the terms expressly provided therein; and/or (iii) the Determination Agent indicates that it has not been or will not be able to perform its duties and obligations under the Relevant Provisions on the terms expressly provided therein. The Programme Counterparty will not be liable to the Issuer, the Securityholders, any Transaction Party or any other person for any calculations, determinations (or any delay in making any calculation or determination), actions or omissions made by the Programme Counterparty in connection with the performance of the duties and obligations of the Determination Agent pursuant to Condition 12(d)(ii) and the Determination Agent Agreement unless fraudulent or made in bad faith.

The Determination Agent in respect of a Series of ETC Securities may resign its appointment at any time without giving any reason by giving the Issuer and the Transaction Parties at least 60 calendar days' prior notice to that effect.

Without prejudice to the automatic termination of a Determination Agent in connection with a Determination Agent Bankruptcy Event, no resignation or termination of the appointment of a Determination Agent will take effect until a replacement Determination Agent (which will be a reputable entity that provides administration and/or collateral management services of a similar type to those required of the Determination Agent under the relevant Determination Agent Agreement or a leading bank or investment banking firm engaged in the interbank market, or, if appropriate, money, precious metals or foreign exchange market) has been appointed; provided that if the Issuer fails within a period of 45 calendar days of notice of resignation given pursuant to the preceding paragraph to appoint a successor to such Determination Agent, the resigning Determination Agent will be entitled to select such an entity and provided such entity is acceptable to the Issuer and the Trustee the Issuer will appoint such entity as successor Determination Agent.

The appointment of a Determination Agent will terminate forthwith if a Determination Agent Bankruptcy Event occurs with respect to such Determination Agent.

The following paragraphs are a summary of certain provisions of the Determination Agent Agreement with respect to the Programme Counterparty. Equivalent provisions with respect to the Determination Agent are described in Condition 12(f).

The Programme Counterparty in respect of a Series of ETC Securities may resign its appointment at any time without giving any reason by giving the Issuer and the Transaction Parties at least 60 calendar days' prior notice to that effect. Any such resignation of the Programme Counterparty will not take effect until a replacement Programme Counterparty (which is required to be a leading bank or investment banking firm engaged in the interbank market, or, if appropriate, money, precious metals or foreign exchange market) has been appointed; provided that if the Issuer fails within a period of 30 calendar days from the date of the relevant notice of resignation by the Programme Counterparty to appoint a successor to such Programme Counterparty, the Programme Counterparty is entitled to select a leading bank or investment banking firm engaged in the interbank market, or, if appropriate, money, precious metals or foreign exchange market acceptable to the Issuer and the Trustee to act as successor Programme Counterparty and the Issuer will appoint that bank or firm as the successor Programme Counterparty.

The Programme Counterparty will have no duties or responsibilities except those expressly set forth in the relevant Determination Agent Agreement, the Conditions and any Transaction Document to which it is a party and no implied or inferred duties or obligations of any kind will be read into the relevant Determination Agent Agreement against or on the part of the Programme Counterparty. The Programme Counterparty will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Transaction Document.

The Programme Counterparty will not incur any liability to any person in acting upon any ETC Security, signature, or other document or information from any electronic or other source reasonably believed by it to be genuine and believed by it to have been signed or otherwise given or disseminated by the proper party or parties, in each case received by it in connection with the performance of its duties under the relevant Determination Agent Agreement.

The Programme Counterparty has no obligation to notify anyone of the execution of the Issue Deed or any other Transaction Document or do anything to find out if an Event of Default, or a Potential Event of Default or an Early Redemption Event (or any event which with the passing of time or the giving of a notice would constitute an Early Redemption Event) has occurred or if the Security under the Security Deed has become enforceable. Until it has actual knowledge or express notice to the contrary, the Programme Counterparty may assume that no such event has occurred and that the Issuer and all other Transaction Parties are performing all their respective obligations under the ETC Securities and the other

Transaction Documents. The Programme Counterparty is not responsible for monitoring or supervising the performance by any other person of its obligations to the Issuer and may assume these are being so performed unless and until it has actual knowledge to the contrary. The Programme Counterparty will not be responsible for any errors made by the Issuer, the Trustee, the Determination Agent, the Metal Agent or any other Transaction Party or any agent thereof in giving instructions or for the negligence, default, fraud, bad faith, wilful default or other failure of any of them.

The Programme Counterparty is not bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, entitlement order, approval or other paper or document received by it from the Issuer or any other Transaction Party.

The Programme Counterparty will have no responsibility or liability for any Loss resulting from its being unable to perform any functions or obligations under the relevant Determination Agent Agreement if the same results from any law, regulation or requirement (whether or not having the force of law) of any central bank or governmental or other regulatory authority affecting it. Nothing in the relevant Determination Agent Agreement or in any other Transaction Document will require the Programme Counterparty to take any action or refrain from taking any action if the same would be contrary to any applicable law, regulation or requirement of any central bank or government or other regulatory authority affecting it.

Authorised Participant Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed authorised participant agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Authorised Participant Terms, as amended or supplemented by such Issue Deed with each person executing the Issue Deed in the capacity of Trustee, Issuing and Paying Agent, Programme Counterparty, Determination Agent, Lead Authorised Participant and Authorised Participant. The Authorised Participant Agreement sets out the provisions relating to the subscription by Authorised Participants of ETC Securities of the relevant Series and purchase of ETC Securities of such Series by the Issuer. The Authorised Participant Agreement also sets out the terms on which an Authorised Participant may offer, sell or deliver ETC Securities and contains certain representations, warranties and undertakings of the Authorised Participant in relation thereto.

Pursuant to the Authorised Participant Agreement, in respect of an issue of a Series of ETC Securities, the Authorised Participant agrees to subscribe and pay for the number of ETC Securities of such Series of ETC Securities specified in respect of such Authorised Participant in the relevant Issue Deed by delivering an amount of unallocated Metal in respect of each such ETC Security equal to the Initial Metal Entitlement per ETC Security specified in respect of the Series Issue Date in the relevant Final Terms. The amount of unallocated Metal deliverable by each Authorised Participant in respect of such ETC Securities shall be deposited in the Subscription Account held by the Subscription Account Custodian on behalf of the Issuer by the Business Day immediately prior to the Series Issue Date. The Issuer will not issue ETC Securities to the Authorised Participant until it has received such unallocated Metal.

In connection with a Subscription Order relating to a Series of ETC Securities, the Authorised Participant agrees to cause an amount of unallocated Metal equal to the product of the Metal Entitlement per ETC Security in respect of the relevant Subscription Trade Date and the aggregate number of ETC Securities to be issued pursuant to the relevant Subscription Order to be delivered to the Subscription Account Custodian on behalf of the Issuer on or prior to the Business Day immediately prior to such Subscription Settlement Date. The Issuer will not issue ETC Securities to the Authorised Participant until it has received such unallocated Metal.

In connection with a Buy-Back Order relating to a Series of ETC Securities, the Authorised Participant agrees to deliver to (or to the order of) the Issuer the relevant ETC Securities subject to such Buy-Back Order by the cut-off time specified by the Issuer (or the Issuing and Paying Agent on its behalf) on the

related Buy-Back Settlement Date. Issuer will not buy-back ETC Securities from the Authorised Participant until it has received such ETC Securities.

The Authorised Participant Agreement sets out the conditions for appointment, resignation (by at least 60 calendar days' prior notice to the Issuer and each other Transaction Party) and termination (by the Issuer with immediate effect if an Authorised Participant Bankruptcy Event occurs and in any other circumstance by at least 30 calendar days' prior notice, unless there are more than one Authorised Participants, in which case the Issuer may terminate the appointment of any Authorised Participant other than the Lead Authorised Participant with immediate effect for a material breach of its obligations which to the extent such breach is capable of being remedied is not remedied within 15 calendar days of the relevant Authorised Participant becoming aware of, or its receiving notice from the Issuer, the Determination Agent, the Issuing and Paying Agent, the Trustee or the Lead Authorised Participant of such breach or if the Issuer determines, in good faith and in a commercially reasonable manner, that the conduct of such Authorised Participant is detrimental to the reputation or development potential of the business of the Issuer or any other Transaction Party or the relationships of those entities with third parties). The Authorised Participant Agreement includes an indemnity from the Issuer relating to the representations and warranties given by the Issuer in such agreement.

Metal Agent Agreement

By executing the relevant Issue Deed, the Issuer will be deemed to have entered into an English law governed metal agent agreement in relation to the ETC Securities on the terms set out in the relevant version of the Master Metal Agent Terms, as amended or supplemented by such Issue Deed with each person executing the Issue Deed in the capacity of Metal Agent, Issuing and Paying Agent, Determination Agent, Programme Counterparty and Trustee. The Metal Agent Agreement sets out the provisions relating to the sale of the Underlying Metal in respect of the relevant Series of ETC Securities by the Metal Agent during a Redemption Disposal Period. The Metal Agent Agreement also contains certain undertakings of the Metal Agent in relation thereto. The Metal Agent Agreement sets out the conditions for appointment, resignation (by at least 60 calendar days' prior notice to the Issuer, the Trustee and the Issuing and Paying Agent) and termination (by the Issuer with immediate effect if a Metal Agent Bankruptcy Event occurs and in any other circumstance by at least 60 calendar days' prior notice).

Balancing Agreement

General

By executing the relevant Issue Deed, the Issuer shall be deemed to have entered into a separate English law governed balancing agreement relating to the Series of ETC Securities specified in such Issue Deed, with the person executing such Issue Deed in the capacity of Programme Counterparty. The Programme Counterparty in respect of the Balancing Agreement will be Deutsche Bank AG.

On the Series Issue Date, the Issuer will enter into the relevant Balancing with the Programme Counterparty.

Set out below are summaries of certain provisions of the Balancing Agreement. Such summaries are qualified in their entirety by the terms of the Balancing Agreement.

Deliveries

The Balancing Agreement sets out certain deliveries from the Issuer to the Programme Counterparty and *vice versa*.

The obligations of the Issuer and the Programme Counterparty under the Balancing Agreement relating to a Series of ETC Securities have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ETC Securities.

Issuer Deliveries

Under the Balancing Agreement, the Issuer will be obligated to make a delivery of unallocated Metal under the Balancing Agreement relating to a Series of ETC Securities if the Metal Entitlement Differential (defined below) is positive in respect of an Observation Date.

Programme Counterparty Deliveries

Under the Balancing Agreement, the Programme Counterparty will be obligated to make a delivery of unallocated Metal under the Balancing Agreement relating to a Series of ETC Securities if the Metal Entitlement Differential (defined below) is negative in respect of an Observation Date.

Metal Entitlement Differential

The “**Metal Entitlement Differential**”, in respect of an Observation Date and a Series of ETC Securities, is an amount of Metal determined by the Determination Agent as being equal to:

- (i) (a) the aggregate amount of Underlying Metal standing to the credit of the Issuer’s accounts on the Observation Date; plus (b) the amount of Metal which the Programme Counterparty has notified the Issuer and the Determination Agent should have formed part of the Underlying Metal save for the transfer of Underlying Metal in breach of the Conditions or the Transaction Documents or its theft, loss, damage, destruction or misdelivery (unless such theft, loss, damage, destruction or misdelivery is the direct result of the negligence, fraud, bad faith or wilful misconduct of the Programme Counterparty acting in any capacity); minus
- (ii) an amount equal to the Metal Entitlement per ETC Security in respect of the Observation Date multiplied by the number of ETC Securities outstanding on the Observation Date.

Tax

All deliveries under the Balancing Agreement will be made subject to any withholding or deduction for, or on account of, any tax. In the event of any such withholding or deduction relating to an amount deliverable to the Issuer, the amount received by the Issuer under the Balancing Agreement will be reduced.

Termination

If a Balancing Agreement Early Termination Date is designated under the Balancing Agreement relating to a Series of ETC Securities for any reason, this will trigger the Final Observation Date in respect of such Balancing Agreement.

See Condition 8(d)(ii) for a description of the circumstances in which the Balancing Agreement may be terminated.

USE OF PROCEEDS

The net proceeds from the issue of ETC Securities of a Series of ETC Securities will be an amount of unallocated Metal which, in accordance with the Custody Agreement for Secured Accounts will, to the extent possible, be allocated to physical Metal bars or other metal shapes and be held in the Secured Allocated Account. Any remaining Metal shall be held in the Secured Unallocated Account. Such Underlying Metal shall be used to meet the Issuer's obligations under the relevant Series of ETC Securities and the relevant Balancing Agreement.

DESCRIPTION OF THE ISSUER

General

The Issuer was registered and incorporated in Jersey as a public limited liability company on 6 August 2009 under the Companies (Jersey) Law 1991, registration number 103781 under the name DB ETC plc.

The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is at St Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands. The telephone number of the Issuer is +44(0) 1534 889 884. The authorised share capital of the Issuer is £10,000 divided into 10,000 ordinary shares of £1.00 each. All of the issued ordinary shares of the Issuer are held by Ogier Nominees (Jersey) Limited and Reigo Nominees (Jersey) Limited for and on behalf of Ogier Corporate Trustee (Jersey) Limited as trustee of the db ETC Charitable Trust (formerly, the db ETC Metals Charitable Trust). The db ETC Metals Charitable Trust was established pursuant to a declaration of trust established by Ogier Corporate Trustee (Jersey) Limited on 4 August 2009 for charitable purposes. The name of the charitable trust was changed from db ETC Metals Charitable Trust to db ETC Charitable Trust pursuant to a declaration changing the name of the trust made on 10 May 2010 by Ogier Corporate Trustee (Jersey) Limited. The principal office of Ogier Corporate Trustee (Jersey) Limited is Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands.

The above amounts of ordinary share capital are stated as at the date of this Base Prospectus. The Issuer has not conducted any business since its date of incorporation and registration to the date hereof except as contemplated by this Base Prospectus and the Transaction Documents and except for receiving the ordinary capital subscriptions referenced above.

The Issuer has been established as a special purpose vehicle for the purpose of issuing asset backed securities. The object of the Issuer is the issuance of one or more financial instruments and entry into certain other agreements and transactions in connection with such activity. In connection with and ancillary to this object, the Issuer may enter into any derivative transactions; incur any and all form of indebtedness from any party whatsoever whether contingent or actual in any currency whatsoever and for any duration; grant security in respect of all or part of any of its assets, in any form whatsoever; enter into and/or carry out any and all transactions carried out in the international capital markets or arising out of any euro-medium term note programme or euro commercial paper programme; issue, redeem and/or buy-back financial instruments; take delivery of and hold any property, securities, commodities or any other assets as security for the obligations of any party owed to the Issuer in connection with the financial instruments and/or any agreement or transaction entered into by the Issuer with such parties in relation to any financial instrument and transfer, sell or otherwise dispose of any property, securities, commodities or any other assets held by the Issuer in connection with the financial instruments and/or any agreements or transactions entered into by the Issuer with such parties in relation to any financial instrument in accordance with the terms thereof. Notwithstanding the foregoing, the Issuer will have unrestricted corporate capacity and nothing described above will restrict the authority of the directors.

The Issuer does not have any subsidiary undertakings.

No person other than the Issuer will be obliged to make payments on the ETC Securities and the ETC Securities will not be guaranteed by, or be the responsibility of, any other entity. In particular, the ETC Securities (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, the Arranger, any Transaction Party or any subsidiary, holding company or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

In accordance with Article 41.6(c) of Directive 2006/43/EC of the European Parliament and of the Council and any relevant implementing measures of Jersey, the Issuer does not consider it appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee. This is because the Issuer's principal business consists of the issue of ETC Securities and the application of the Secured Property towards making payments in respect of the relevant ETC Securities and paying certain fees, expenses and other related amounts and as such, the Issuer is not conducting an operating business.

Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Base Prospectus.

	£
<i>Shareholders' Funds:</i>	
Share capital (Authorised £10,000; Issued two ordinary shares of £1.00 each)	2
<i>Indebtedness:</i>	
The Indebtedness of the Issuer as at the date of this Base Prospectus is	0
Total	<u>2</u>

There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2013. The Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Directors and Company Secretary

The Directors of the Issuer are as follows:

Name	Principal Occupation	Business Address
Ogier Corporate Director (Jersey) 3 Limited	Corporate Director	Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands
Ogier Corporate Director (Jersey) 4 Limited	Corporate Director	Ogier House, The Esplanade, St. Helier, Jersey JE4 9WG, Channel Islands
Peter Becker	Bank Executive	St. Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands

The directors of Ogier Corporate Director (Jersey) 3 Limited and Ogier Corporate Director (Jersey) 4 Limited as at the date of this Base Prospectus are Peter Gatehouse, Stephen Langan, Anne-Marie Henry and Phil Norman.

In addition to acting as a director of Ogier Corporate Director (Jersey) 3 Limited and Ogier Corporate Director (Jersey) 4 Limited, each of Peter Gatehouse, Stephen Langan, Anne-Marie Henry and Phil Norman are also directors of Ogier SPV Services (Jersey) Limited (which is not a director of the Issuer). The business address of each of Peter Gatehouse, Stephen Langan, Anne-Marie Henry and Phil Norman is Ogier House, The Esplanade, St Helier, Jersey, JE4 9WG. The Company Secretary is Deutsche International Corporate Services Limited.

Deutsche International Corporate Services Limited of St. Paul's Gate, New Street, St. Helier, Jersey JE4 8ZB, Channel Islands is the administrator of the Issuer. Its duties include the provision of certain

management, administrative, accounting and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

Peter Becker is an employee of an affiliated company of the administrator.

Financial Statements

The Issuer has prepared audited financial statements for the periods from 1 January 2012 to 31 December 2012 and 1 January 2013 to 31 December 2013. Such financial statements are incorporated by reference into and shall form part of this Base Prospectus. The Issuer will publish half-yearly and yearly financial statements for each financial year in respect of the period ending on 31 December in the relevant year.

The auditors of the Issuer are KPMG Channel Islands Limited, PO Box 453, St. Helier, Jersey JE4 8WQ, Channel Islands. The auditors of the Issuer are chartered accountants who are members of the Institute of Chartered Accountants of England and Wales and are qualified to practise as auditors in Jersey.

The Issuer agrees in the relevant Trust Deed to provide the Trustee with a certificate of the Issuer signed by any Director, upon request on an annual basis, to the effect that having made all reasonable enquiries, to the best of the knowledge, information and belief of the Issuer as at a date (the "**Certification Date**") not more than five days before the date of the certificate, no Event of Default or Potential Event of Default had occurred since the Certification Date of the last such certificate or (if none) the date of the relevant Issue Deed or, if such event had occurred, giving details of it.

INFORMATION CONCERNING THE LEAD AUTHORISED PARTICIPANT, THE SECURED ACCOUNT CUSTODIAN, THE SUBSCRIPTION ACCOUNT CUSTODIAN, THE METAL AGENT AND THE PROGRAMME COUNTERPARTY

The information in this section has been accurately reproduced from information published by Deutsche Bank (as defined below), the Lead Authorised Participant, the Secured Account Custodian, the Subscription Account Custodian, the Metal Agent and the Programme Counterparty being as at the date of this Base Prospectus Deutsche Bank. So far as the Issuer is aware and is able to ascertain from information published by Deutsche Bank no facts have been omitted which would render the reproduced information misleading.

Incorporation, Registered Office and Objectives

Deutsche Bank Aktiengesellschaft ("**Deutsche Bank**" or the "**Bank**") originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Düsseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

The Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the "**Deutsche Bank Group**").

Deutsche Bank AG, London Branch

On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. The London branch of Deutsche Bank is an authorised person for the purposes of section 19 of the FSMA. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

Share Capital

As of 31 December 2013, Deutsche Bank's issued share capital amounted to €2,609,919,078.40 consisting of 1,019,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all the German Stock Exchanges. They are also listed on the New York Stock Exchange.

The consolidated financial statements for the fiscal years starting 1 January 2007 are prepared in compliance with International Financial Reporting Standards ("IFRS"). As of 31 December 2013, Deutsche Bank Group had total assets of €1,611,400 million, total liabilities of €1,556,434 million and total equity of €54,966 million on the basis of IFRS.

TAXATION

The following is a summary of certain aspects of the tax treatment of the Issuer and amounts paid in respect of the ETC Securities by the Issuer (or an agent appointed by it) in accordance with the terms and conditions of such ETC Securities, based on the laws and practices currently in force which are subject to change after the date of this Base Prospectus and which changes could be made on a retrospective basis. It is limited to the country of incorporation of the Issuer and those countries in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Directive may be made pursuant to this Base Prospectus.

*For a general discussion of the EC Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the “**EU Savings Directive**”) see page 242 below.*

It does not relate to any other tax consequences or to withholdings in respect of payments by other persons (such as custodians, depositaries or other intermediaries) unless otherwise specified. Particular rules may apply to certain classes of taxpayers holding the ETC Securities. The summary does not purport to be exhaustive and does not constitute tax or legal advice and the comments below are of a general nature only. With respect to certain structured financial instruments, such as the ETC Securities, it may be the case that in certain jurisdictions there is currently neither case law nor comments of the financial authorities as to the tax treatment of such financial instruments. Accordingly, there is a risk that the relevant financial authorities and courts or the paying agents in such jurisdictions may adopt a view different from that summarised below. Each investor should consult a tax adviser as to the tax consequences relating to its particular circumstances resulting from the purchase, holding, sale and redemption of the ETC Securities and the receipt of payments thereon under the laws of their country of residence, citizenship or domicile.

All payments in respect of the ETC Securities by the Issuer or by an agent appointed by the Issuer will be subject to any applicable withholding taxes.

None of the Issuer, the Arranger or any Transaction Party makes any representation or warranty as to the tax consequences to any investor of the acquisition, holding or disposal of the ETC Securities. The tax consequences for each investor in the ETC Securities can be different and therefore investors and counterparties are advised to consult with their tax advisers as to their specific consequences.

Jersey

The Income Tax (Jersey) Law 1961, as amended (the “**Law**”) provides that the general basic rate of income tax on the profits of companies regarded as resident in Jersey or having a permanent establishment in Jersey, will be zero per cent. (“**zero tax rating**”) and that:

- (i) only a limited number of financial services companies (as defined below) shall be subject to income tax at a rate of 10 per cent.; and
- (ii) only utility companies (as defined in the Law) and Jersey Property Profits (as defined below) shall be subject to income tax at a rate of twenty per cent.

A “**financial services company**” means any company that:

- (a) is registered under the Financial Services (Jersey) Law 1998 (the “**1998 Law**”) to carry out:
 - (i) investment business; or
 - (ii) trust company business; or

- (iii) fund services business, as an administrator or custodian in relation to an unclassified fund or an unregulated fund; or
- (b) is registered under the Banking Business (Jersey) Law 1991, other than a company registered for business continuity under that Law, pursuant to Article 9A of the Banking Business (General Provisions) (Jersey) Order 2002; or
- (c) holds a permit under the Collective Investment Funds (Jersey) Law 1988 by virtue of being a functionary who is an administrator or custodian mentioned in Part 2 of the Schedule to that Law.

“Jersey Property Profits” means:

- (a) the annual profits or gains arising in respect of any rents or receipts as follows, that is to say –
 - (i) rents under leases of land in Jersey,
 - (ii) rents, and
 - (iii) other receipts arising to the owner of land in Jersey from, or by virtue of, the owner’s ownership of that land including any receipts arising from a licence to occupy land; and
- (b) the annual profits or gains arising or accruing from the trade, carried on in Jersey, of the disposal, on a commercial basis, of land or any building or structure, or any part thereof, which is situated in Jersey.

For so long as the Issuer holds a “zero tax rating”, no withholding in respect of Jersey taxation will be required on payments to any holder of the ETC Securities.

Under current Jersey law, there are no capital gains, capital transfer, gift, wealth or inheritance taxes or any death or estate duties. No stamp duty is levied in Jersey on the issue or transfer of ETC Securities. On the death of an individual holder of ETC Securities (whether or not such individual was resident in Jersey), duty at rates of up to 0.75 per cent. of the value of the relevant ETC Securities may be payable on the registration of Jersey probate or letters of administration.

European Union Directive on the Taxation of Savings Income

Jersey is not part of the EU and is not subject to the EU Savings Directive or other EU fiscal legislation. However, in keeping with Jersey’s policy of constructive international engagement (and in line with steps taken by other relevant countries), Jersey has as at the date of this Base Prospectus entered into various agreements regarding the EU Savings Directive.

Jersey has as at the date of this Base Prospectus introduced a system which permits, either:

- (i) the disclosure of information concerning details of payments of interest (or other similar payments), and the identity of an individual beneficial owner of the interest to the tax authority of the EU jurisdiction where the owner of the interest payment is resident; or
- (ii) the imposition of a retention or withholding tax in respect of payments of interest (or other similar payments) made to an individual beneficial owner resident in an EU member state by a paying agent situated in Jersey or an EU member state.

(The terms “beneficial owner” and “paying agent” are defined in the bilateral agreements, entered into between Jersey and each of the EU member states relating to the treatment of savings income.)

Where the Issuer has appointed a paying agent located outside Jersey, the Issuer is not required to make any disclosures or levy retention tax. However, the rules applicable in the jurisdiction where the paying agent is located will apply.

Where relevant, the retention tax system will apply for an initial transitional period during which tax would be retained from such payments, instead of communicating the details of such payments to the tax authorities of the EU member state in which the individual beneficial owner is resident.

The transitional period will apply until the implementation of a system of automatic communication among all EU member states of information regarding interest payments following specific countries providing for the exchange of information upon request; and the EU member states unanimously agree that the United States of America has committed to exchange of information on request.

The requirements in respect of information disclosure or retention tax will not apply to payments made to companies, partnerships or to most types of trusts, nor will they apply to individuals who are resident outside the EU.

Goods and Services Tax ("GST")

Pursuant to the Goods and Services Tax (Jersey) Law 2007 (the "**2007 Law**"), tax at a rate which is, as at the date of this Base Prospectus, 5 per cent. applies to the supply of retail goods and services unless the relevant supplier or recipient of such goods and services is registered as an "international services entity".

The Issuer is an "international services entity" within the meaning of the 2007 Law, having satisfied the requirements of the Goods and Services Tax (International Services Entities) (Jersey) Regulations 2008, as amended (the "**ISE Regulations**") and, as long as it continues to be such an entity, a supply of goods or of a service made by or to the Issuer shall not be a taxable supply for the purposes of the 2007 Law.

United States

Foreign Account Tax Compliance Act

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to (i) any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a "**Participating FFI**" by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA and (ii) any investor (unless otherwise exempt from FATCA) that does not provide information sufficient to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of the Issuer (a "**Recalcitrant Holder**"). The Issuer is classified as an FFI.

The new withholding regime will be phased in beginning 1 January 2014 for payments from sources within the United States and will apply to "**foreign passthru payments**" (a term not yet defined) no earlier than 1 January 2017. This withholding would potentially apply to payments in respect of (i) any ETC Securities characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or after the "**grandfathering date**", which is the later of (a) 1 January 2014 and (b) the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date and (ii) any ETC Securities characterised as equity or which do not have a fixed term for U.S. federal tax purposes, whenever issued. If ETC Securities are issued before the grandfathering date, and additional ETC Securities of the same series are issued on or after that date, the additional ETC Securities may not be treated as grandfathered, which may have negative consequences for the existing ETC Securities, including a negative impact on market price. The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**").

Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **"Reporting FI"** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being **"FATCA Withholding"**) from payments it makes (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments and payments that it makes to Recalcitrant Holders. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and Jersey have entered into an agreement (the **"US-Jersey IGA"**) based largely on the Model 1 IGA.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Jersey IGA and does not expect to be subject to FATCA Withholding on payments it receives. There can be no assurance, however, that the Issuer will be treated as a Reporting FI and that such withholding will not be imposed against the Issuer. If the Issuer does not become a Participating FFI, Reporting FI, or is not treated as exempt from or in deemed compliance with FATCA, the Issuer may be subject to FATCA Withholding on payments received from U.S. sources and Participating FFIs. Any such withholding imposed on the Issuer may reduce the amounts available to the Issuer to make payments under the ETC Securities.

The Issuer expects to be treated as a Reporting FI pursuant to the US-Jersey IGA and does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the ETC Securities are made may be required to withhold FATCA Withholding if (i) any FFI through or to which payment on such ETC Securities is made is not a Participating FFI, a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA or (ii) an investor is a Recalcitrant Holder.

If an amount in respect of FATCA Withholding were to be deducted or withheld either from amounts due to the Issuer or from interest, principal or other payments made in respect of the ETC Securities, neither the Issuer nor any paying agent nor any other person would, pursuant to the conditions of the ETC Securities, be required to pay additional amounts as a result of the deduction or withholding. As a result, investors may receive less interest or principal than expected.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to the Issuer and to payments they may receive in connection with the ETC Securities.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

Austria

This section on taxation contains a brief summary of the Issuer's understanding with regard to certain important principles which are of significance in connection with the purchase, holding or sale of the ETC Securities in the Republic of Austria. This summary does not purport to exhaustively describe all possible tax aspects and does not deal with specific situations which may be of relevance for certain potential investors. The following comments are rather of a general nature and included herein solely for information purposes. These comments are not intended to be, nor should they be construed to be, legal or tax advice. This summary furthermore only refers to investors that are subject to unlimited (corporate) income tax liability in Austria. It is based on the currently valid tax legislation, case law and regulations of the tax authorities, as well as their respective interpretation, all of which may be amended from time to time. Such amendments may possibly also be effected with retroactive effect and may negatively impact on the tax consequences described. It is recommended that potential purchasers of the ETC Securities consult with their legal and tax advisors as to the tax consequences of the purchase, holding or sale of the ETC Securities. Tax risks resulting from the ETC Securities (in particular from a potential qualification as a foreign investment fund within the meaning of sec. 188 of the Austrian Investment Funds Act 2011 (*Investmentfondsgesetz 2011*)) shall in any case be borne by the purchaser. For the purposes of the following it is assumed that the ETC Securities are legally and factually offered to an indefinite number of persons.

The Issuer assumes no responsibility with respect to taxes withheld at source.

General

Individuals having a permanent domicile (*Wohnsitz*) and/or their habitual abode (*gewöhnlicher Aufenthalt*) in Austria are subject to income tax (*Einkommensteuer*) in Austria on their worldwide income (unlimited income tax liability; *unbeschränkte Einkommensteuerpflicht*). Individuals having neither a permanent domicile nor their habitual abode in Austria are subject to income tax only on income from certain Austrian sources (limited income tax liability; *beschränkte Einkommensteuerpflicht*).

Corporations having their place of effective management (*Ort der Geschäftsleitung*) and/or their legal seat (*Sitz*) in Austria are subject to corporate income tax (*Körperschaftsteuer*) in Austria on their worldwide income (unlimited corporate income tax liability; *unbeschränkte Körperschaftsteuerpflicht*). Corporations having neither their place of effective management nor their legal seat in Austria are subject to corporate income tax only on income from certain Austrian sources (limited corporate income tax liability; *beschränkte Körperschaftsteuerpflicht*).

Both in case of unlimited and limited (corporate) income tax liability Austria's right to tax may be restricted by double taxation treaties.

Income taxation of the ETC Securities

Pursuant to sec. 27(1) of the Austrian Income Tax Act (*Einkommensteuergesetz*), the term investment income (*Einkünfte aus Kapitalvermögen*) comprises:

- income from the letting of capital (*Einkünfte aus der Überlassung von Kapital*) pursuant to sec. 27(2) of the Austrian Income Tax Act, including dividends and interest;
- income from realised increases in value (*Einkünfte aus realisierten Wertsteigerungen*) pursuant to sec. 27(3) of the Austrian Income Tax Act, including gains from the sale, redemption and other realisation of assets that lead to income from the letting of capital, zero coupon bonds and also broken-period interest; and
- income from derivatives (*Einkünfte aus Derivativen*) pursuant to sec. 27(4) of the Austrian Income Tax Act, including cash settlements, option premiums received and income from the sale or other realisation of forward contracts like options, futures and swaps and other derivatives such as index certificates.

Also the withdrawal of the ETC Securities from a bank deposit (*Depotentnahme*) and circumstances leading to a loss of Austria's taxation right regarding the ETC Securities *vis-à-vis* other countries, e.g. a relocation from Austria (*Wegzug*), are in general deemed to constitute a sale (*cf.* sec. 27(6)(1) of the Austrian Income Tax Act).

Individuals subject to unlimited income tax liability in Austria holding the ETC Securities as a non-business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (*inländische Einkünfte aus Kapitalvermögen*), basically meaning income that is paid by an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*), the income is subject to a withholding tax of 25 per cent.; no additional income tax is levied over and above the amount of tax withheld (final taxation pursuant to sec. 97(1) of the Austrian Income Tax Act). In case of investment income without an Austrian nexus, the income must be included in the income tax return and is subject to a flat income tax rate of 25 per cent. In both cases upon application the option exists to tax all income subject to the tax rate of 25 per cent. at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Sec. 27(8) of the Austrian Income Tax Act, *inter alia*, provides for the following restrictions on the offsetting of losses: negative income from realised increases in value and from derivatives may not be offset against interest and other claims against credit institutions as well as income from Austrian or foreign private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*); income subject to the flat tax rate of 25 per cent. may not be offset against income subject to the progressive income tax rate (this equally applies in case of an exercise of the option to regular taxation); negative investment income not already offset against positive investment income may not be offset against other types of income.

Individuals subject to unlimited income tax liability in Austria holding the ETC Securities as a business asset are subject to income tax on all resulting investment income pursuant to sec. 27(1) of the Austrian Income Tax Act. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25 per cent. While this withholding tax has the effect of final taxation for income from the letting of capital, income from realised increases in value and income from derivatives must on the other hand be included in the income tax return (nevertheless flat income tax rate of 25 per cent.). In case of investment income without an Austrian nexus, the income must always be included in the income tax return (flat income tax rate of 25 per cent.). In both cases upon application the option exists to tax all income subject to the tax rate of 25 per cent. at the lower progressive income tax rate (option to regular taxation pursuant to sec. 27a(5) of the Austrian Income Tax Act). Pursuant to sec. 6(2)(c) of the Austrian Income Tax Act, depreciations to the lower fair market value and losses from the sale, redemption and other realisation of financial assets and derivatives in the sense of sec. 27(3) and (4) of the Austrian Income Tax Act, which are subject to the special tax rate of 25 per cent., are primarily to be offset against income from realised increases in value of such financial assets and derivatives and with appreciations in value of such assets; only half of the remaining negative difference may be offset against other types of income (and carried forward).

Corporations subject to unlimited corporate income tax liability in Austria are subject to corporate income tax on interest from the ETC Securities at a rate of 25 per cent. In case of investment income with an Austrian nexus (as described above) the income is subject to a withholding tax of 25 per cent., which can be credited against the corporate income tax liability. However, under the conditions set forth in sec. 94(5) of the Austrian Income Tax Act no withholding tax is levied in the first place. Income from the sale of the ETC Securities is subject to corporate income tax of 25 per cent. Losses from the sale of the ETC Securities can be offset against other income (and carried forward).

Private foundations (*Privatstiftungen*) pursuant to the Austrian Private Foundations Act (*Privatstiftungsgesetz*) fulfilling the prerequisites contained in sec. 13(3) and (6) of the Austrian Corporate Income Tax Act (*Körperschaftsteuergesetz*) and holding the ETC Securities as a non-business asset are subject to interim taxation at a rate of 25 per cent. on interest income, income from realised increases in

value and income from derivatives (*inter alia*, if the latter are in the form of securities). Interim tax does not fall due insofar as distributions subject to withholding tax are made to beneficiaries in the tax period. In case of investment income with an Austrian nexus (as described above) income is in general subject to a withholding tax of 25 per cent., which can be credited against the tax falling due. Under the conditions set forth in sec. 94(12) of the Austrian Income Tax Act no withholding tax is levied.

Pursuant to sec. 93(6) of the Austrian Income Tax Act, the Austrian custodian agent is obliged to automatically offset negative investment income against positive investment income, taking into account all of a taxpayer's bank deposits with the custodian agent. If negative and at the same time or later positive income is earned, then the negative income is to be offset against the positive income. If positive and later negative income is earned, then the withholding tax on the positive income is to be credited, with such tax credit being limited to 25 per cent. of the negative income. In certain cases, the offsetting is not permissible. The custodian agent has to issue a written confirmation on the offsetting of losses for each bank deposit.

Pursuant to sec. 188 of the Austrian Investment Funds Act 2011 as changed in the course of the implementation of Directive 2011/61/EU and as applicable to business years of investment funds starting after 21 July 2013, the term "foreign investment fund" comprises (i) undertakings for collective investment in transferable securities the state of origin of which is not Austria; (ii) alternative investment funds pursuant to the Austrian Act on Alternative Investment Fund Managers (*Alternative Investmentfonds Manager-Gesetz*) the state of origin of which is not Austria; and (iii) secondarily, undertakings subject to a foreign jurisdiction, irrespective of the legal form they are organised in, the assets of which are invested according to the principle of risk-spreading on the basis either of a statute, of the undertaking's articles or of customary exercise, if one of the following conditions is fulfilled: (a) the undertaking is factually, directly or indirectly, not subject to a corporate income tax in its state of residence that is comparable to Austrian corporate income tax; (b) the profits of the undertaking are in its state of residence subject to corporate income tax that is comparable to Austrian corporate income tax, at a rate of less than 15 per cent.; or (c) the undertaking is subject to a comprehensive personal or material tax exemption in its state of residence. Certain collective investment vehicles investing in real estate are exempted. To date no guidance has been issued by the tax authorities on the interpretation of this new provision. In case of a qualification as a foreign investment fund the tax consequences would substantially differ from those described above.

EU withholding tax

Sec. 1 of the Austrian EU Withholding Tax Act (*EU-Quellensteuergesetz*) – implementing the EU Savings Directive – provides that interest payments paid or credited by an Austrian paying agent (*Zahlstelle*) to a beneficial owner who is an individual resident in another EU member state (or in certain dependent or associated territories, which currently include Anguilla, Aruba, the British Virgin Islands, Guernsey, the Isle of Man, Jersey, Montserrat, the Netherlands Antilles and the Turks and Caicos Islands) are subject to a withholding tax of 35 per cent. if no exception from such withholding applies. Sec. 10 of the Austrian EU Withholding Tax Act provides for an exemption from EU withholding tax if the beneficial owner presents to the paying agent a certificate drawn up in his/her name by the competent authority of his/her member state of residence for tax purposes, indicating the name, address and tax or other identification number or, failing such, the date and place of birth of the beneficial owner, the name and address of the paying agent, and the account number of the beneficial owner or, where there is none, the identification of the security; such certificate shall be valid for a period not exceeding three years.

Regarding the issue of whether index certificates are also subject to the EU withholding tax, the Austrian tax authorities distinguish between index certificates with and without a capital guarantee, a capital guarantee being the promise of repayment of a minimum amount of the capital invested or the promise of the payment of interest. The exact tax treatment of index certificates furthermore depends on their underlying.

Tax treaties Austria/Switzerland and Austria/Liechtenstein

On 1 January 2013 the Treaty between the Republic of Austria and the Swiss Confederation on Cooperation in the Areas of Taxation and Capital Markets entered into force. A similar treaty between the Republic of Austria and the Principality of Liechtenstein has been applicable as of 1 January 2014. These treaties provide that a Swiss, respectively Liechtenstein, paying agent has to withhold a tax amounting to 25 per cent., on, *inter alia*, interest income, dividends and capital gains from assets booked with an account or deposit of such Swiss, respectively Liechtenstein, paying agent or managed by a Liechtenstein paying agent, if the relevant holder of such assets (i.e. in general individuals on their own behalf and as beneficial owners of assets held by a domiciliary company (*Sitzgesellschaft*)) is tax resident in Austria. For Austrian income tax purposes the withholding tax has the effect of final taxation regarding the underlying income if the Austrian Income Tax Act provides for the effect of final taxation for such income. The treaties, however, do not apply to interest covered by the agreements between the European Community and the Swiss Confederation, respectively Liechtenstein, regarding the EU Savings Directive. The taxpayer can opt for voluntary disclosure instead of the withholding tax by expressly authorising the Swiss, respectively Liechtenstein, paying agent to disclose to the competent Austrian authority the income and capital gains; these subsequently have to be included in the income tax return.

Austrian inheritance and gift tax

Austria does not levy inheritance or gift tax.

However, it should be noted that certain gratuitous transfers of assets to (Austrian or foreign) private law foundations and comparable legal estates (*privatrechtliche Stiftungen und damit vergleichbare Vermögensmassen*) are subject to foundation entry tax (*Stiftungseingangssteuer*) pursuant to the Austrian Foundation Entry Tax Act (*Stiftungseingangssteuergesetz*). Such tax is triggered if the transferor and/or the transferee at the time of transfer have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Certain exemptions apply in case of a transfer *mortis causa* of financial assets within the meaning of sec. 27(3) and (4) of the Austrian Income Tax Act (except for participations in corporations) if income from such financial assets is subject to the special tax rate of 25 per cent. The tax basis is the fair market value of the assets transferred minus any debts, calculated at the time of transfer. The tax rate is in general 2.5 per cent., with a higher rate of 25 per cent. applying in special cases. As of 1 January 2014 special provisions have applied to entities falling under the scope of the tax treaty between Austria and Liechtenstein.

In addition, a special notification obligation exists for gifts of money, receivables, shares in corporations, participations in partnerships, businesses, movable tangible assets and intangibles. The notification obligation applies if the donor and/or the donee have a domicile, their habitual abode, their legal seat or their place of effective management in Austria. Not all gifts are covered by the notification obligation: In case of gifts to certain related parties, a threshold of €50,000 per year applies; in all other cases, a notification is obligatory if the value of gifts made exceeds an amount of €15,000 during a period of five years. Furthermore, gratuitous transfers to foundations falling under the Austrian Foundation Entry Tax Act described above are also exempt from the notification obligation. Intentional violation of the notification obligation may lead to the levying of fines of up to 10 per cent. of the fair market value of the assets transferred.

Further, it should be noted that gratuitous transfers of the ETC Securities may trigger income tax at the level of the transferor pursuant to sec. 27(6)(1) of the Austrian Income Tax Act (see above).

Belgium

General

The following is intended as a general guideline and is only a summary of the Issuer's understanding of current Belgian tax law and practice applied to the taxation of the ETC Securities. It is stressed that the

text is not to be read as extending by implication to matters not specifically discussed therein. The text does not take into account or discuss tax laws of any country other than Belgium and is subject to changes in Belgian law, including changes that could have retroactive effect. Investors should seek advice from their own tax advisers with respect to the taxation in Belgium of proceeds received in respect of such ETC Securities.

Taxation of a Belgian Tax Resident Private Investor or Belgian Legal Entities

Payments by the Issuer at the Scheduled Maturity Date or Early Redemption Date

The profit derived from the ETC Securities resulting from the positive difference (if any) between the Final Redemption Amount at the Scheduled Maturity Date and the Issue Price or between the Early Redemption Amount at the Early Redemption Date and the Issue Price is characterised, under Belgian tax law, as interest income.

Any profit derived from the ETC Securities and paid or attributed via a Belgian paying agent is in principle subject to Belgian withholding tax of 25 per cent., and possibly subject to exemptions under Belgian law.

For individuals (Belgian residents) holding the ETC Securities as a private investment, the 25 per cent. withholding tax on any profit derived from the ETC Securities constitutes the final Belgian income tax. The Belgian resident is not required to report the profit derived from the ETC Securities in his income tax return. In case the individual has received this profit outside Belgium without deduction of Belgian withholding tax, he must report this profit in his individual tax return and the profit will be subject to a separate taxation at a rate of 25 per cent. (or at the relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, if this results in lower taxation). In case the individual realises a loss on his ETC Securities, no (withholding) tax will be due, but a tax deduction will not be available either.

Belgian resident individuals will be subject to the provisions of the EU Savings Directive, if they receive any profit derived from the ETC Securities from a paying agent (within the meaning of the EU Savings Directive) established in another EU Member State or certain third countries or dependent or associated territories of certain Member States. If the profit received by a Belgian resident individual has been subject to any withholding tax permitted under the EU Savings Directive during a transitional period, such withholding does not liberate the Belgian resident individual from reporting this profit (including the foreign withholding tax) in his individual Belgian tax return. Such foreign withholding tax can be credited against the Belgian personal income tax and any excess amount (of at least €2.5) will be reimbursed.

For Belgian legal entities subject to the Belgian legal entities tax, the 25 per cent. withholding tax levied on any profit derived from the ETC Securities also constitutes the final Belgian income tax. The profit does not need to be reported in the annual income tax return. In case the legal entity has received the profit derived from the ETC Securities outside Belgium without deduction of Belgian withholding tax, it must pay and report the Belgian withholding tax to the Belgian tax administration itself. In case of a loss, no (withholding) tax will be due, but no tax deduction will be available either to the legal entities.

Sale of the ETC Securities to a third party (other than the Issuer) prior to the Scheduled Maturity Date

The capital gains realised upon transfer to third parties prior to the Scheduled Maturity Date of the ETC Securities (i.e. the difference between the transfer price and the Issue Price of the ETC Securities), are in principle tax exempt in the hands of Belgian resident individuals, except if the capital gains are realised outside the scope of the normal management of the taxpayer's private estate. No deduction will be available, in case a capital loss is incurred.

The capital gains realised upon transfer to third parties prior to the Scheduled Maturity Date of the ETC Securities (i.e. the difference between the transfer price and the Issue Price of the ETC Securities) are in principle tax exempt in the hands of Belgian legal entities subject to the Belgian legal entities tax.

Taxation of Belgian Resident Companies and Belgian Resident Individuals who have Invested the ETC Securities in a Business

The profit derived from the ETC Securities resulting from the (positive) difference (if any) between the Final Redemption Amount at the Scheduled Maturity Date and the Issue Price and, in case of transfer prior to the Scheduled Maturity Date, resulting from the (positive) difference between the transfer price and the Issue Price of the ETC Securities, will be taxable for Belgian resident companies and Belgian resident individuals who have invested the ETC Securities in their business activity.

Profits derived from the ETC Securities by Belgian resident companies are taxed at a rate of 33.99 per cent. while Belgian resident individuals who have invested the ETC Securities in their business activity are taxable at the progressive individual income tax rates (plus local surcharges). Any losses are normally tax deductible. Any Belgian withholding that has been levied is creditable and refundable subject to certain limitations. Under certain conditions, a foreign tax credit of a maximum of 15/85 of the net profit is granted in respect of taxes paid abroad.

Taxation of Non-Belgian Resident Investors

Non-Belgian resident investors are only taxed on Belgian source profit.

The non-Belgian resident investors will, as a matter of principle, not be subject to taxation in Belgium in respect of any profit derived from the ETC Securities on or prior to the Scheduled Maturity Date, if the profit is not collected through a Belgian paying agent.

However, any profit derived by non-Belgian resident investors (individuals, companies and legal entities) upon payment by the Issuer on the Scheduled Maturity Date or Early Redemption Date will normally be subject to a Belgian withholding tax of 25 per cent. if this profit is paid in Belgium, i.e. through a Belgian paying agent. Exemptions or reductions may apply pursuant to Belgian national tax law, tax treaties or European Directives. In the absence of such profit, no taxation will occur in Belgium.

In addition, non-resident investors who have allocated the ETC Securities to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same tax rules as described above in the section "Taxation of Belgian Resident Companies and Belgian Resident Individuals who have Invested the ETC Securities in a Business".

Pursuant to current Belgian tax law (as modified in order to implement into national law the provisions of Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments), savings income in the form of interest (or other similar) payments paid or credited by a Belgian paying agent to a beneficial owner who is an individual resident for tax purposes in another EU Member State (or in one of the dependent or associated territories of certain Member States) will, in addition to the aforementioned Belgian withholding tax of 25 per cent., be subject to a system of automatic exchange of information between the relevant tax authorities. Belgium ended on 31 December 2009 the alternative withholding tax system, which it was allowed to apply together with Austria and Luxembourg during a transitional period.

Responsibility for the Withholding of Tax

If the profit derived from the ETC Securities is paid or attributed to investors via a Belgian paying agent, the obligation to retain Belgian withholding tax, if any, is the sole responsibility of the Belgian paying agent. Under Belgian tax law the foreign Issuer does not assume any responsibility in this respect.

Stock Exchange Tax

In certain events, a Belgian stock exchange tax (*Taxe sur les opérations de bourse/Taks op de beursverrichtingen*) will be due.

The Belgian stock exchange tax is normally due on a certain number of transactions agreed or executed in Belgium, including each transfer and each purchase for consideration in Belgium of the ETC Securities

through a professional intermediary on the secondary market. No tax is payable by non-residents acting for their own account, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, nor by certain other (institutional) investors acting for their own account, such as professional intermediaries, insurance companies, enterprise pension institutions, collective investment institutions, etc. as listed in art. 126/1 of the Code of Miscellaneous Taxes and Duties.

The tax amounts to 0.25 per cent. of the purchase price of the ETC Securities for each secondary market sale and for each secondary market purchase. The tax due on each of the above-mentioned transactions is capped at €740 per transaction and per party. Under current Belgian tax law, this rate and this cap will reduce to 0.22 per cent. and €650, respectively, for transactions occurring as from 1 January 2015. A separate tax is due from each party to the transaction, both collected by the professional intermediary.

Tax on the Delivery of Bearer Securities

A tax of 0.60 per cent. on the price to be paid by the purchaser or acquirer is levied on the delivery of bearer securities and it is not capped.

The delivery of bearer securities means the physical delivery of the bearer securities that takes place after the acquisition for consideration (purchase on the secondary market) or withdrawal of the securities that are deposited on a short deposit account. Delivery to Belgian professional intermediaries falls outside the scope of the tax. If no physical delivery of the bearer securities takes place, the tax will not be due.

The following transactions are exempt from the tax: deliveries made after the acquisition for consideration without the intervention of a professional intermediary, and deliveries of foreign securities deposited on a short deposit account, when the recipient is a non-resident.

The tax on the delivery of bearer securities will normally only apply to transactions with ETC Securities in bearer form, subject to the above-mentioned exemptions.

Anti-abuse provision

Pursuant to article 344, § 2 ITC, the Belgian Tax Administration is entitled to disregard the transfer of certain assets, including cash, to a non-resident company which, by virtue of the law of its country of residence, is not subject to income tax or is subject to a tax regime in relation to the income produced by the assets transferred which is notably more advantageous than the tax treatment which would be applicable in Belgium to such income.

Pursuant to this provision the Belgian Tax Administration can ignore the cash transfer and tax the Belgian investor on a deemed interest as if the transfer had not taken place.

A Belgian investor can avoid the application of the abovementioned legal fiction by producing evidence that (i) the ETC Securities produce income that effectively generates in Belgium a tax burden which is normal in comparison with the tax burden which would have arisen if the investment had not taken place or (ii) the investment has been carried out for genuine financial or economic needs.

France

General

This following summary is based on the tax laws and regulations in force in France as of the date of this Base Prospectus and such as applied by the French tax authorities, all of which are subject to changes or to different interpretation. It does not purport to be a comprehensive description of all the French tax considerations which may be relevant to a decision to purchase, own or dispose of the ETC Securities.

Potential purchasers and sellers of the ETC Securities are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the Final Terms but to ask for their own tax adviser's advice

on their individual taxation with respect to the purchase, ownership, redemption or disposal of the ETC Securities. In particular, this tax summary does not address the tax treatment of ETC Securities holders that are subject to special rules, such as partnerships, trusts or regulated investment companies, international organisations, banks or other financial institutions, insurance companies, among others. Prospective investors should consult their tax advisers as to the French and foreign tax treatment especially in light of their particular circumstances.

The tax treatment described below is based on the assumption that the ETC Securities will be assimilated to securities equivalent to bonds (*obligations*) for French tax purposes.

EU Savings Directive

Under the EU Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland). The rate of such withholding tax equals 35 per cent. as from 1 July 2011 and until the end of the transitional period.

On 10 April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

The European Commission has proposed certain amendments to the EU Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

The EU Savings Directive has been implemented in French law by Article 242 *ter* of the French Tax Code (*Code général des impôts*) (the “**FTC**”) and Articles 49 I *ter* to 49 I *sexies* of the Appendix III to the FTC. Article 242 *ter* of the FTC imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest and other similar payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest or other similar amounts paid to that beneficial owner.

Withholding Tax

To the extent that the Issuer of the ETC Securities is not domiciled or established in France (notably ETC Securities are not issued through a permanent establishment of the Issuer in France), the payments made on the ETC Securities to a beneficial owner of ETC Securities which is not a French resident for tax purposes and does not hold the ETC Securities in connection with a permanent establishment or a fixed base in France will not be subject to a withholding tax (*retenue à la source*) in France.

French Resident Individuals

The following is an overview of French tax rules applicable to individuals, resident in France for tax purposes, who hold ETC Securities as part of their private assets, who do not trade on the stock market on a regular basis and, accordingly, who are not considered as professional traders. Individuals who engage in professional trading transactions should consult their tax advisers concerning the tax rules applicable in their specific case.

Redemption Premium

Redemption premium from obligations issued by foreign entities is subject to personal income tax (Article 120- 8° of the FTC).

Pursuant to Article 125 A of the FTC, subject to certain limited exceptions, the redemption premium received as from 1 January 2013 by individuals who are fiscally domiciled in France is subject to a 24 per cent. advance tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made.

The personal income tax is calculated on a progressive scale with a maximum rate of 45 per cent..

Social contributions are levied by way of withholding tax at an aggregate rate of 15.5 per cent., broken down as follows:

- a general social contribution (*Contribution sociale généralisée*) of 8.2 per cent. (of which 5.1 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);
- a social levy (*Prélèvement social*) of 4.5 per cent.;
- the two additional contributions to the social levy (*Contributions additionnelles au prélèvement social*) of 0.3 per cent. and 2 per cent.; and
- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent.

A tax on higher incomes (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds €250,000 (for single persons) or €500,000 (for couples).

Capital Gains

Capital gains realised on sales of ETC Securities are subject to the personal rate of income tax, with a maximum rate of 45 per cent., as of the first euro earned (article 200-A 2 of the FTC), to which are added the following contributions:

- a general social contribution (*Contribution sociale généralisée*) of 8.2 per cent. (of which 5.1 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);
- a social levy (*Prélèvement social*) of 4.5per cent.;
- the two additional contributions to the social levy (*Contributions additionnelles au prélèvement social*) of 0.3 per cent. and 2 per cent.; and
- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent.

A tax on higher incomes (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds €250,000 (for single persons) or €500,000 (for couples).

Capital losses may only be used to offset capital gains of the same type incurred within the same year and the following 10 years.

French Wealth Tax

ETC Securities held by individuals in their personal portfolio are included in the basis of assessment for French wealth tax (*impôt de solidarité sur la fortune*). As at 1 January 2014, French wealth tax is applicable at a maximum rate of 1.5 per cent. to individuals who own personal assets where their net asset value exceeds €1,300,000.

Duties on Inheritance and Gift Tax

ETC Securities inherited or received as gifts by individuals are subject to inheritance and gift taxes in France.

Legal Entities Subject to Corporate Income Tax in France

Redemption Premium

The redemption premium is calculated by the difference between the amounts to be received and the amounts paid at the time of the acquisition or subscription of the ETC securities.

The premium is subject to a staggered taxation when the premium, computed as indicated above, exceeds 10 per cent. of the subscription or acquisition price and for ETC Securities whose average issue price is not greater than 90 per cent. of their redemption value (Article 238 *septies* E II 1° of the FTC).

In the other cases (where the conditions are not met), the premium is taxable at the time of reimbursement.

Where the redemption value of the ETC Securities cannot be determined before the maturity date, the securities holder may be subject to tax on a deemed redemption premium. The taxable portion of the deemed premium is equal to the difference between (i) the fraction of the deemed premium accrued until the end of the fiscal year, and (ii) the fractions taxed during the previous fiscal years. The deemed premium results from the application to the acquisition price, according to the method of compound interest, of a deemed interest rate equal to 105 per cent. of the last monthly interest rate applicable in respect of long term public loans (*taux mensuels des emprunts d'Etat à long terme*) known at the date of the acquisition (Article 238 *septies* E II 2 and 3 of the FTC). Furthermore, the redemption date is deemed to be the most distant date mentioned in the contract.

In the specific circumstances where the ETC Securities are treated as index-linked (it being noted that the qualification of the ETC Securities as index-linked or non index-linked is not clear under French law), the redemption premium is computed at the end of the fiscal year as the value of reimbursement that takes into account the variation of the deemed index (Article 238 *septies* E II 2 and 3 of the FTC). The taxable portion of the deemed premium is equal to the difference between (i) the fraction of the deemed premium accrued until the end of the fiscal year, computed at a rate which, in accordance with the methods of compound interest, allows obtaining of the reimbursement value (that takes into account the variation of the deemed index) and (ii) the fractions taxed during the previous fiscal years according to the same method.

In order to avoid double taxation, when the ETC Securities are sold or reimbursed, the portion of the premium that has already been subject to the staggered taxation during the previous financial year is deducted in determining the capital gain.

The redemption premium is subject to corporate income tax (“CIT”) at the following rate.

CIT is currently levied at 33.33 per cent. and is increased by a social contribution (*contribution sociale*) at a 3.3 per cent. rate applied on the CIT, after deduction of €763,000 (Article 235 ter ZC of the FTC). Certain legal entities may pay CIT at the reduced rate of 15 per cent., up to a maximum amount of €38,120 per 12-month period, and may qualify for exemption from the 3.3 per cent. social contribution under certain conditions (Articles 219-I-b and 235 ter ZC of the FTC).

A temporary surtax (*contribution exceptionnelle*), applicable in respect of tax years closed until 30 December 2015, is applicable at a rate of 10.7 per cent. on the CIT due, where the turnover of the relevant entity exceeds M€ 250.

Capital Gains

Capital gains or losses realised on the sale of ETC Securities by a legal entity subject to CIT are subject to the short-term capital gains or short-term capital losses regime.

Capital gains are included in the taxable income of the current fiscal year at the time of their realisation and are taxable at the standard CIT rate of 33.33 per cent. plus the 3.3 per cent. social contribution and

the 10.7 per cent. temporary surtax, on the basis outlined above (or the reduced rate of 15 per cent. up to €38,120, where applicable).

Capital losses are charged against taxable income or contribute to the creation of losses carry forward under the conditions set forth by commonly applicable law.

Finland

General

The following is a summary of certain Finnish tax consequences for holders of the ETC Securities who are residents of Finland for tax purposes. The summary is based on tax laws and taxation practice, as in effect and applied as at the date of this Base Prospectus, with respect to securities linked to the value of an underlying security generally, and is intended to provide general information only. Tax laws, taxation practices and their interpretation are constantly under change, which changes may sometimes have a retroactive effect and may change the conclusions set out in the summary.

The summary does not cover situations where individuals hold the ETC Securities in context of business activities. The summary does neither cover situations where the ETC Securities are held as investment assets or current assets (i.e. allocable to the inventory or otherwise held for trading purposes) by a corporation or where there are unrealised changes in the values of the ETC Securities that are held for trading purposes. This summary addresses neither Finnish gift nor inheritance tax consequences.

Tax Withholding

Generally, payments under foreign securities may be made by a foreign issuer without withholding on account of Finnish income tax. Thus, as regards amounts received by the holders under the ETC Securities, no Finnish withholding tax shall be levied if the Issuer is a foreign entity without a permanent establishment in Finland. However, according to Finnish domestic tax legislation, Finnish institutional payers, such as an account operator paying a compensation on the ETC Securities upon redemption, may in certain circumstances be obliged to levy an advance withholding tax of 30 per cent. on such payments when made to individuals.

Individuals and Death Estates

For the purposes of income taxation, the ETC Securities will presumably be considered as assets, the disposal of which will result in a capital gain or loss. Accordingly, individuals and death estates will be subject to tax on any capital gains incurred from the disposal of the ETC Securities. Capital gains of individuals and death estates are currently taxed at a tax rate of 30 per cent. if the total amount of capital income received by an individual or a death estate is €40,000 annually and at a tax rate of 32 per cent. to the extent the capital income exceeds €40,000 annually.

Capital gains and losses are calculated by deducting from the alienation price the original acquisition cost added with expenses incurred from the disposal of the ETC Securities. The acquisition cost of the ETC Securities is generally considered to consist of the price paid for the ETC Securities added with possible expenses incurred from the acquisition. Alternatively, when calculating capital gains, natural persons and death estates may use a so-called presumed acquisition cost, the amount of which is always a minimum of 20 per cent. of the sales price. When using the presumed acquisition cost, sales expenses are not separately deductible.

In the event that the ETC Securities are considered as securities for the purposes of income taxation, a loss suffered from the disposal of the ETC Securities may presumably be considered as a capital loss. Similarly, a loss arising from the expiration of the ETC Securities (as worthless) presumably constitutes a capital loss. The capital loss may be deducted from the capital gains arising in the same year and the five following years.

Any compensation related to the ETC Securities and paid at redemption/maturity will be taxed as capital income at the tax rate of 30 per cent. if the total amount of capital income received by an individual or a death estate is €40,000 annually and at a tax rate of 32 per cent. to the extent the capital income exceeds €40,000 annually (but may not necessarily be treated as a capital gain). Possible foreign withholding tax is normally credited in Finland up to the maximum amount of taxes payable in Finland. Double tax treaties may limit the right to tax in Finland.

Corporations

Amounts received from the disposal and/or the redemption of the ETC Securities that are included in the business assets of corporations are deemed taxable. Correspondingly, the acquisition cost of the ETC Securities is treated as a deductible expense in taxation. Thus, the profit being the difference between the sales price and the acquisition cost of the ETC Securities is taxed as corporate income of the corporation.

In the event that the ETC Securities are not included in a corporation's business assets, amounts received from such ETC Securities are taxed as capital gains or are losses as described above, see "*Individuals and Death Estates*". However, a corporation may not use a presumed acquisition cost.

Corporate income is taxed at a tax rate of 20 per cent.

Possible foreign withholding tax is normally credited in Finland up to the maximum amount of taxes payable in Finland. Double tax treaties may limit the right to tax in Finland.

Germany

The following is a general description of certain tax considerations relating to the purchasing, holding and disposing of the ETC Securities. It does not purport to be a complete analysis of all tax considerations relating to the ETC Securities. In particular, this discussion does not consider any specific facts or circumstances that may apply to a particular holder of the ETC Securities. The discussions that follow are based upon the applicable German laws in force and their interpretation on the date of this Prospectus. These tax laws and interpretations are subject to change that may occur after such date, even with retrospective effect.

Prospective holders of the ETC Securities should consult their own tax advisers as to the particular tax consequences of subscribing, purchasing, holding and disposing the ETC Securities, including the application and effect of any federal, state or local taxes, under the tax laws of Germany and each country of which they are residents or citizens.

Income Tax

ETC Securities Held by Tax Residents as Private Assets

In case the ETC Securities are held as private assets (*Privatvermögen*) by an individual investor whose residence or habitual abode is in Germany, any amounts received with respect to the ETC Securities are qualified as proceeds from receivables (*Erträge aus sonstigen Kapitalforderungen*). Although the German Income Tax Code distinguishes between the taxation of current proceeds from receivables and the taxation of capital gains from receivables, all proceeds are taxed as capital investment income (*Einkünfte aus Kapitalvermögen*) at a 25 per cent. flat tax (*Abgeltungsteuer*) (plus a 5.5 per cent. solidarity surcharge (*Solidaritätszuschlag*) thereon and, if applicable to the individual investor, church tax). Individual investors are entitled to a tax allowance (*Sparer-Pauschbetrag*) for amounts treated as investment income of €801 per year (€1,602 for jointly assessed individual investors). The tax allowance is considered for purposes of the withholding tax if the investor files a withholding tax exemption request (*Freistellungsauftrag*) with the respective Domestic Paying Agent (as described below) where the securities deposit account to which the ETC Securities are allocated is held. The deduction of the effective income related expenses for tax purposes is not possible. In addition, Securityholders will not

be able to offset losses on the sale or redemption of the ETC Securities against income (e.g. employment income) other than amounts treated as investment income. If the sale or redemption price for the ETC Securities does not exceed the transaction costs any loss from a sale or redemption of ETC Securities might not be recognised by the German tax authorities.

The flat tax is generally collected by way of withholding. If the ETC Securities are kept or administered in a domestic securities deposit account by a German credit or financial services institution (or by a German branch of a foreign credit or financial services institution), or by a German securities trading firm (*Wertpapierhandelsunternehmen*) or a German securities trading bank (*Wertpapierhandelsbank*) (together, the “**Domestic Paying Agent**”) since their acquisition, a 25 per cent. withholding tax, plus a 5.5 per cent. solidarity surcharge thereon (and, if applicable to the individual investor, church tax), is levied on capital gains from the sale or redemption of the ETC Securities, resulting in a total withholding tax charge of 26.375 per cent. If the ETC Securities were sold or redeemed after being transferred to another securities deposit account, the 25 per cent. withholding tax (plus solidarity surcharge thereon and, if applicable to the individual investor, church tax) would be levied on 30 per cent. of the proceeds from the sale or the redemption, as the case may be, unless the investor or the previous account bank was able and allowed to provide evidence for the investor’s actual acquisition costs to the new Domestic Paying Agent. The applicable withholding tax rate is in excess of the aforementioned rate if church tax is applicable to and collected for the individual investor. In the case of capital gains from the sale or redemption of the ETC Securities and default interest (if any) received after 31 December 2014, the collection of church tax is provided for as a standard procedure unless the noteholder has filed a blocking notice (*Sperrvermerk*) with the German Federal Central Tax Office (*Bundeszentralamt für Steuern*).

If no Domestic Paying Agent (as defined above) is involved in the payment process, the Securityholder will have to include its receipts from the ETC Securities in its tax return and the flat income tax of 25 per cent., plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax, will be collected by way of assessment.

Payment of the flat tax will generally satisfy any income tax liability of the Securityholders in respect of such deemed investment income. Securityholders may apply for a tax assessment on the basis of general rules applicable to them if the resulting income tax burden is lower than 25 per cent.

ETC Securities Held by Tax Residents as Business Assets

If the ETC Securities are held as business assets (*Betriebsvermögen*) by an individual or corporate investor that is tax resident in Germany (i.e. persons whose residence, habitual abode, statutory seat, or place of effective management and control is located in Germany), capital gains from the sale or redemption of the ETC Securities are subject to personal or corporate income tax (plus solidarity surcharge thereon and, if applicable to the individual investor, church tax). Losses realised on the sale or redemption of the ETC Securities may be offset in particular against items of positive income under the general tax rules or deducted as part of losses carried back or forward, although the minimum taxation rules (Section 10d(1), (2) EStG) must be observed. Capital gains from the sale or redemption of the ETC Securities will also be subject to trade tax.

No withholding is generally required on capital gains from the sale or redemption of ETC Securities derived by German resident corporate Securityholders and upon application by individual Securityholders holding the ETC Securities as business assets. Apart from that if a Domestic Paying Agent (as defined above) is involved in the payment process tax at a rate of 25 per cent. (plus a 5.5 per cent. solidarity surcharge thereon and, if applicable to the individual investor, church tax) will also be withheld from capital gains from the sale or redemption of the ETC Securities and default interest (if any). With respect to church tax applicable to an individual investor after 31 December 2014 please see above under “*ETC Securities Held by Tax Residents as Private Assets*”. Any German withholding tax (including surcharges) is generally fully creditable against the investor’s personal or corporate income tax liability or refundable, as the case may be.

ETC Securities Held by Non-tax Residents

Amounts derived from the ETC Securities by holders who are not tax resident in Germany are in general exempt from German income taxation, and no withholding tax shall be withheld, unless (i) the ETC Securities are held as business assets of a German permanent establishment of the investor or by a permanent German representative of the investor, or (ii) the ETC Securities are presented for payment or credit at the offices of a German credit or financial services institution including a German branch of a foreign credit or financial services institution (over-the-counter transaction).

If an amount derived from the ETC Securities is subject to German taxation according to (i) above, it is subject to withholding tax similar to that described above under “*Securities Held by Tax Residents as Business Assets*”. According to (ii) above the payment of withholding tax will generally satisfy any German income tax liability of the Securityholders in respect of such deemed investment income. Under certain circumstances, foreign investors may benefit from tax reductions or tax exemptions under applicable double tax treaties (*Doppelbesteuerungsabkommen*) entered into with Germany.

Investment Tax Act

The ETC Securities should not qualify as units in a foreign investment fund in terms of the German Investment Tax Act (*Investmentsteuergesetz*). The ETC Securities may qualify as a share in a so called “corporate-like investment company” (*Kapital-Investitionsgesellschaft*) under the German Investment Tax Act if the Issuer qualifies as an Investment Fund under the EU AIFM Directive. However, provided that the ETC Securities do not qualify as equity instrument, the qualification of the ETC Securities as a share in a so called “corporate-like investment company” (*Kapital-Investitionsgesellschaft*) under the German Investment Tax Act should not have any impact on the taxation as described above.

Inheritance and Gift Tax

No inheritance or gift taxes with respect to ETC Securities will arise under the laws of Germany, if, in the case of inheritance tax, neither the decedent nor the beneficiary, or, in the case of gift tax, neither the donor nor the donee, is a resident of Germany and such ETC Security is not attributable to a German trade or business for which a permanent establishment is maintained, or a permanent representative has been appointed, in Germany. Exceptions from this rule apply to certain German expatriates.

Other Taxes

No stamp, issue, registration or similar taxes or duties will be payable in Germany in connection with the issuance, delivery or execution of the ETC Securities. Currently, net assets tax (*Vermögensteuer*) is not levied in Germany.

Ireland

The following summary outlines certain aspects of Irish tax law and practice regarding the ownership and disposition of ETC Securities. This summary deals only with ETC Securities held beneficially as capital assets and does not address special classes of holders of ETC Securities such as dealers in securities. This summary is not exhaustive and holders of ETC Securities are advised to consult their own tax advisers in respect of the taxation consequences of their ownership or disposition. The comments are made on the assumptions that (i) the Issuer is not resident in Ireland for Irish tax purposes, (ii) the Issuer does not carry on a trade or business in Ireland through a branch or agency, (iii) the Issuer was not incorporated in Ireland and (iv) the ETC Securities are not secured over Irish land or real property. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.

Irish Withholding Tax

Under Irish tax law there is no obligation on the Issuer to operate any withholding tax on payments on the ETC Securities except where the payment has an Irish source and is either a payment of annual interest or an amount treated under Irish law as a payment of annual interest. A payment could be considered to

have an Irish source, where, for example, it is paid out of funds maintained in Ireland or where the ETC Securities are secured on Irish situate assets. The mere offering of the ETC Securities to Irish investors will not cause a payment to have an Irish source.

In certain circumstances collection agents and other persons receiving payments on the ETC Securities in Ireland on behalf of an Irish resident holder of ETC Securities will be obliged to operate a withholding tax.

Taxation of Amounts Treated as Income

The taxation of sums received in respect of the ETC Securities from the Issuer on maturity or buy-back is not clear. It is possible that amounts received in excess of the original subscription amount could be regarded as income for Irish tax purposes and potentially subject to income or corporation taxes.

Unless exempted, an Irish resident or ordinarily resident holder of ETC Securities and a non-resident holder of ETC Securities holding through an Irish branch or agency will be liable to Irish tax on the amounts regarded as income under Irish law, if any, received from the Issuer. Individuals would suffer income tax plus potentially PRSI and universal social charge. Corporate investors will suffer corporation tax. Credit against Irish tax on the amounts regarded as income under Irish law, if any, received may be available in respect of any foreign withholding tax deducted by the Issuer.

Taxation of Capital Gains

In the case of disposal of securities to an unconnected third party, it is likely that any sums received would be regarded as capital receipts and potentially subject to taxes on capital gains.

Subject to the comments above, Irish resident or ordinarily resident holders of ETC Securities and a non-resident holder of ETC Securities holding through an Irish branch or agency will be liable to Irish tax on capital gains on any gains arising on a disposal of ETC Securities. Reliefs and allowances may be available in computing the holder's liability.

Stamp Duty

Transfers of ETC Securities should not be subject to Irish stamp duty, provided the transfers do not relate to Irish land or buildings or securities of an Irish registered company.

Capital Acquisitions Tax

A gift or inheritance comprising of ETC Securities will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the ETC Securities are regarded as property situate in Ireland. This tax is charged on gifts and inheritances above a certain threshold determined both by the relationship between the disponent and the donee/successor and previous gifts or inheritances received.

Offshore fund taxation

The ETC Securities could potentially be treated as a 'material interest' in an offshore fund for the purposes of Chapter 2 of Part 27 of the Taxes Consolidation Act 1997 (the "TCA"). In that case the Issuer would be considered a non-distributing offshore fund unless it has been granted distributing fund status by the Irish Revenue Commissioners which if granted is done so on a retrospective basis. We understand the Issuer has not been granted distributing status in any prior years.

The holder of securities in a non-distributing offshore fund who is an individual resident or ordinarily resident in Ireland for tax purposes will be taxed at their marginal rate of income tax, pay related social insurance ("PRSI") and the universal social charge ("USC") on any gain arising on the disposal of an interest in the offshore fund. A corporate holder of such securities would be subject to corporation tax at the rate of 25 per cent. on a gain arising on the disposal of an interest in the offshore fund.

As recommended above, holders of ETC Securities should obtain independent tax advice in relation to the tax implications of holding and disposing of ETC Securities.

Provision of Information

Generally

Holders of ETC Securities should be aware that where any amounts regarded as interest under Irish law or other payment on ETC Securities is paid to them by or through an Irish paying agent or collection agent then the relevant person may be required to supply the Irish Revenue Commissioners with details of the payment and certain details relating to the holder. Where the holder of the ETC Securities is not Irish resident, the details provided to the Irish Revenue Commissioners may, in certain cases, be passed by them to the tax authorities of the jurisdiction in which the holder is resident for taxation purposes.

EU Savings Directive

For a general discussion of the EU Savings Directive, see page 242 below. Ireland has implemented the EU Savings Directive into national law. Any Irish paying agent making an interest or other similar payment on behalf of the Issuer to an individual, and certain residual entities defined in the Taxes Consolidation Act, 1997 resident in another EU Member State and certain associated and dependent territories of a Member State will have to provide details of the payment to the Irish Revenue Commissioners who in turn will provide such information to the competent authorities of the state or territory of residence of the individual or residual entity concerned.

Italy

With regard to certain innovative or structured financial instruments there is currently no case law as to the tax treatment of such financial instruments. Accordingly, it cannot be excluded that the Italian tax authorities will change its current view, as specified below, and courts will adopt a view different from that outlined below. All of the following is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, Securityholders should consult their own tax advisors as to the Italian or other tax consequences of the purchase, holding and disposition of ETC Securities including, in particular, the application to their specific situations of the tax consequences discussed below.

This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy and that it has no permanent establishment within the Italian territory.

Italian corporate and individual income tax

Provided that the ETC Securities qualify broadly as derivative instruments for the purposes of Italian tax law, which they are expected to do, the following consequences apply to a Securityholder pursuant to Article 67(1)(c-quarter) of Presidential Decree No. 917 of 22 December 1986, as subsequently amended and according to the Italian tax authority's Resolution no. 72/E of 12 July 2010. According to Legislative Decree No. 461 of 21 November 1997, where the Italian resident Securityholder is: (i) an individual not engaged in an entrepreneurial activity to which the ETC Securities are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution, or (iv) an investor exempt from Italian corporate income taxation, capital gains realised on the sale or redemption of the ETC Securities are subject to a 20 per cent. substitute tax (*imposta sostitutiva*).

In this respect, Securityholders who are Italian resident individuals may opt for three different taxation regimes (*regime della dichiarazione*, *regime del risparmio amministrato*, *regime del risparmio gestito*). This option may result in certain impacts that the prospective investors should consider with their tax advisers. In particular, provided that certain conditions are met, the depository is responsible for accounting for *imposta sostitutiva* and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the

Securityholder or using funds provided by the Securityholder for this purpose. Under certain conditions, capital losses may be deducted from the above mentioned capital gains.

Where an Italian resident Securityholder is a company or similar commercial entity, or the Italian permanent establishment of a foreign commercial entity to which the ETC Securities are effectively connected, capital gains arising from the ETC Securities will not be subject to imposta sostitutiva, but must be included in the relevant Securityholder's income tax return and are therefore subject to Italian corporate tax (IRES, currently applicable at a rate of 27.5 per cent.) and, in certain cases, depending on the status of such holder, may also have to be included in its taxable base for regional tax purposes (IRAP, currently applicable at a rate of 3.9 per cent. The IRAP rate may be increased in certain Italian regions in accordance with the provisions of Law Decree no. 93 of 27 May 2008, which has been converted into Law no. 126 of 24 July 2008; IRAP rate has also been increased by article 23(5) of Law Decree no. 98 of 6 July 2011 to 4.65 per cent for banks and other financial institutions and to 5.9 per cent for the insurance companies as indicated, respectively, under article 6 and article 7 of Legislative Decree no. 446 of 15 December 1997).

Capital gains realised by non-Italian resident Securityholders without a permanent establishment in Italy are not subject to Italian taxation, if (i) the ETC Securities are held outside of Italy, (ii) the ETC Securities have been deposited in Italy and are traded on a regulated market or (iii) the ETC Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of proceeds from the relevant ETC Securities complies with certain filing requirements and is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities as provided under a Ministerial Decree of 4 September 1996 or, starting from the tax period following to the one of enactment of a specific Ministerial Decree to be issued under article 168-bis(1) of Presidential Decree no. 917 of 1986 (Italian Income Tax Code), will be included in the new list of qualifying jurisdictions as specified by the Decree to be enacted.

Should the ETC Securities be deemed to constitute units in foreign investment funds, receipts from capital deriving from the ETC Securities should be included in the taxable income of the Italian resident recipient and may be subject to a 20 per cent. advance withholding tax applied by Italian resident entities, if any, which intervene in the payment of the relevant proceeds as well as in the repurchase or negotiation of the ETC Securities.

Italian inheritance and gift taxes

Law no. 286 of 24 November 2006, which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the ETC Securities) and rights by reason of death or gift.

As regards the inheritance and gift tax to be paid at the transfer of the ETC Securities by reason of death or gift, the following rates apply:

- (i) transfers in favour of spouses and direct descendants or direct relatives are subject to a registration tax of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each transferor;
- (ii) transfers in favour of brothers and sisters are subject to a registration tax of 6 per cent. on the value of the inheritance or the gift exceeding Euro 100,000.00 for each transferor;
- (iii) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to a registration tax of 6 per cent. on the entire value of the inheritance or the gift;
- (iv) any other transfer is subject to a registration tax of 8 per cent. on the entire value of the inheritance or the gift; and

- (v) transfers in favour of seriously disabled persons are subject to a registration tax at the relevant rate as described above on the value of the inheritance or the gift exceeding €1,500,000.00 for each transferor.

Moreover, an anti-avoidance rule is provided by Law No. 383 of 18 October 2001 for any gift of assets (such as the ETC Securities) which, if sold for consideration, would give rise to capital gains subject to the imposta sostitutiva provided for by Legislative Decree No. 461 of 21 November 1997. In particular, if the donee sells the ETC Securities for consideration within five years from the receipt thereof as a gift, the donee is required to pay the relevant imposta sostitutiva on capital gains as if the gift had never taken place.

Stamp duty

Pursuant to Article 19(1) of Decree No. 201 of 6 December 2011 (“**Decree 201**”), a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for ETC Securities deposited therewith. The stamp duty applies at the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or — if no market value figure is available — the nominal value or redemption amount of the ETC Securities held. The stamp duty can be no lower than €34.20. If the client is not an individual, the stamp duty cannot be higher than € 14,000.00.

Wealth Tax on securities deposited abroad

Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the ETC Securities outside the Italian territory are required to pay an additional tax at the current rate of 0.2 per cent.

This tax is calculated on the market value of the ETC Securities at the end of the relevant year or — if no market value figure is available — the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Implementation in Italy of the EU Savings Directive

For a general discussion of the EU Savings Directive, see page 242 below.

Italy has implemented the EU Savings Directive through Legislative Decree No. 84 of 18 April 2005 (“**Decree No. 84**”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest and other similar amounts paid to individuals which qualify as beneficial owners of the payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, società di intermediazione mobiliare (SIM), fiduciary companies, società di gestione del risparmio (SGR) resident for tax purposes in Italy, Italian permanent establishments of non-Italian resident persons and any other Italian entity paying interest and other similar amounts for professional or business reasons) shall report to the Italian Tax Authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian Tax Authorities to the competent foreign tax authorities of the State of residence of the beneficial owner.

Luxembourg

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties,

levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident of Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well.

Withholding Tax

Under Luxembourg tax law currently in effect and subject to the June 2005 Laws and the December 2005 Law, as defined below, there is no Luxembourg withholding tax upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the ETC Securities.

Non-resident Holders of ETC Securities

Under the Luxembourg laws dated 21 June 2005 (the “**June 2005 Laws**”), implementing the EU Savings Directive and ratifying several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“**EU**”), a paying agent established in Luxembourg (within the meaning of the EU Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar amounts paid by it to (or under certain circumstances, to or for the immediate benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same treatment will apply (except for the tax certificate procedure) to payments of interest and other similar amounts made to certain “residual entities” within the meaning of Article 4.2 of the EU Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e. entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the EU Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, and that are not, or have not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands).

Where withholding tax is applied under the June 2005 Laws, it is currently levied at a rate of 35 per cent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the EU Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect as from 1 January 2015.

In the event of payments under the ETC Securities coming within the scope of the June 2005 Laws, such payments would at present be subject to withholding tax of 35 per cent.. As no return in respect of ETC Securities (whether in the form of cash, on redemption, or as a result of trading) should constitute a payment of interest for the purposes of the EU Savings Directive, it is not envisaged that withholding tax should become due by virtue of the June 2005 Laws.

Resident Holders of ETC Securities

Under the Luxembourg law dated 23 December 2005, as amended (the “**December 2005 Law**”), interest payments made by paying agents established in Luxembourg (as defined in the December 2005 Law) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

In the event of payments under the ETC Securities coming within the scope of the December 2005 Law, such payments would at present be subject to withholding tax of 10 per cent.. As no return in respect of ETC Securities (whether in the form of cash, on redemption, or as a result of trading) should constitute a payment of interest for the purposes of the December 2005 Law, it is not envisaged that withholding tax should become due by virtue of the December 2005 Law.

Income Taxation

Non-resident Holders of ETC Securities

A non-resident corporate holder of ETC Securities or a non-resident individual holder of ETC Securities acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such ETC Securities are attributable, is subject to Luxembourg income tax on any gains realised upon the sale or disposal, in any form whatsoever, of the ETC Securities.

Resident Holders of ETC Securities

A corporate holder of ETC Securities must include any gain realised on the sale or disposal, in any form whatsoever, of the ETC Securities, in its taxable income for Luxembourg income tax assessment purposes. The same inclusion applies to an individual holder of ETC Securities, acting in the course of the management of a professional or business undertaking.

A holder of ETC Securities that is governed by the law of 11 May 2007 on family estate management companies, or by the laws of 20 December 2002 and 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, is not subject to Luxembourg income tax in respect of gains realised on the sale or disposal, in any form whatsoever, of the ETC Securities.

A gain realised by an individual holder of ETC Securities, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of ETC Securities is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the ETC Securities were acquired.

Net Wealth Taxation

A corporate holder of ETC Securities, whether it is a resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such ETC Securities are attributable, is subject to Luxembourg wealth tax on such ETC Securities, except if the holder of ETC Securities is governed by the law of 11 May 2007 on family estate management companies, or by the laws of 20 December 2002 and 17 December 2010 on undertakings for collective investment, as amended, or by the law of 13 February 2007 on specialised investment funds, or is a securitisation company governed by the law of 22 March 2004 on securitisation, or is a capital company governed by the law of 15 June 2004 on venture capital vehicles, as amended.

An individual holder of ETC Securities, whether he/she is resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such ETC Securities.

Other Taxes

Neither the issuance nor the transfer of ETC Securities will give rise to any Luxembourg stamp duty, value added tax, issuance tax, registration tax, transfer tax or similar taxes or duties.

Where a holder of ETC Securities is a resident of Luxembourg for tax purposes at the time of his/her death, the ETC Securities are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of ETC Securities if embodied in a Luxembourg deed or recorded in Luxembourg.

The Netherlands

Where in this paragraph English terms and expressions are used to refer to Dutch concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Dutch concepts under Dutch tax law.

General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, settlement, redemption and disposal of the ETC Securities, but does not purport to be a comprehensive description of all Netherlands tax considerations in relation thereto. This summary is intended as general information only for holders of ETC Securities who are residents or deemed residents of the Netherlands for Netherlands tax purposes. Each prospective investor should consult a professional tax adviser with respect to the tax consequences of an investment in the ETC Securities. We refer to the transaction summary (entitled “*Summary of the Programme*”) in this Base Prospectus for a description of the key terms of the ETC Securities.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Base Prospectus, and does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

This summary does not address the Netherlands tax consequences for:

- (i) holders of ETC Securities holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Issuer and holders of ETC Securities of whom a certain related person holds a substantial interest in the Issuer. Generally speaking, a substantial interest in the Issuer arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (ii) a holder of ETC Securities which is a taxpayer for the purposes of Netherlands corporate income tax, having a participation (*deelname*) in the Issuer (such a participation is generally present in the case of an interest of at least 5 per cent. of the Issuer’s nominal paid-in capital);
- (iii) investment institutions (*fiscale beleggingsinstellingen*);
- (iv) pension funds, exempt investment institution (*vrijgestelde fiscale beleggingsinstellingen*) or other entities that are exempt from Netherlands corporate income tax; and
- (v) a holder of ETC Securities which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten.

Where this summary refers to a holder of ETC Securities, such reference is restricted to a holder holding legal title to as well as an economic interest in such ETC Securities.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Issuer is neither a resident nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

Netherlands Withholding Tax

All payments made by the Issuer under the ETC Securities may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Netherlands Corporate and Individual Income Tax

If a holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the ETC Securities are attributable, gains realised upon the redemption, settlement or disposal of the ETC Securities are generally taxable in the Netherlands (at up to a maximum rate of 25 per cent.).

If an individual holder is a resident or deemed to be a resident of the Netherlands for Netherlands tax purposes (including an individual holder who has opted to be taxed as a resident of the Netherlands), gains realised upon the redemption, settlement or disposal of the ETC Securities are taxable at the progressive rates (at up to a maximum rate of 52 per cent.) under the Netherlands income tax act 2001 (*Wet inkomstenbelasting 2001*), if:

- (i) the holder is an entrepreneur (*ondernemer*) and has an enterprise to which the ETC Securities are attributable or the holder has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the ETC Securities are attributable; or
- (ii) such gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which include the performance of activities with respect to the ETC Securities that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) applies to the holder of the ETC Securities, taxable receipts with regard to the ETC Securities must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4 per cent of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the individual's yield basis exceeds a certain threshold. The individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the ETC Securities less the fair market value of certain qualifying liabilities on 1 January. The fair market value of the ETC Securities will be included as an asset in the individual's yield basis. The 4 per cent. deemed return on income from savings and investments will be taxed at a rate of 30 per cent.

Netherlands Gift and Inheritance Tax

Generally, gift and inheritance tax will be due in the Netherlands in respect of the acquisition of the ETC Securities by way of a gift by, or on behalf of, or on the death of, a holder that is a resident or deemed to be a resident of the Netherlands for the purposes of Netherlands gift and inheritance tax at the time of the gift or his or her death. A gift made under a condition precedent is deemed to be made at the time the condition precedent is fulfilled and is subject to Dutch gift and inheritance tax if the donor is, or is deemed to be, a resident of the Netherlands at that time.

A holder of Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift and inheritance tax if he or she has been resident in the Netherlands and dies or makes a donation within 10 years after leaving the Netherlands. A holder of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Netherlands gift tax if he or she has been resident in the Netherlands and makes a donation within a 12-month period after leaving the Netherlands. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Netherlands Value Added Tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the ETC Securities or in respect of a cash payment made under the ETC Securities, or in respect of a transfer of ETC Securities.

Other Netherlands Taxes and Duties

No registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the ETC Securities.

EU Savings Directive

For a general discussion of the EU Savings Directive, see page 242 below.

Portugal

The following is a summary of the current Portuguese tax treatment at the date hereof in relation to certain aspects of the Portuguese taxation of payments in respect of the ETC Securities. The statements do not deal with other Portuguese tax aspects regarding the ETC Securities and relate only to the position of persons who are absolute beneficial owners of the ETC Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Securityholders who are in any doubt as to their tax position should consult their own professional advisers.

a. Resident

Portuguese Resident Individuals: Personal Income Tax (“*Imposto sobre o Rendimento das Pessoas Singulares*”) (“*IRS*”)

A. Investment Income

Redemption Amount

Since the ETC Securities do not guarantee a minimum investment return to the Securityholders, any return arising therefrom qualifies under Portuguese tax law as a capital gain.

Therefore, even if the payment of the Redemption Amount is made through a Portuguese paying agent, no Portuguese withholding tax will be due on capital gains.

B. Capital Gains

There is no Portuguese withholding tax on capital gains.

The annual positive balance arising from the difference between capital gains and capital losses, including the ones resulting from transactions in connection with the ETC Securities, will be taxed at the special tax rate of 28 per cent., unless the individual resident in Portugal elects to include it in his taxable income, subject to tax at progressive rates of up to 48 per cent. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000 and (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. Also if the option of income aggregation is made an additional surcharge at the rate of 3.5 per cent., which is applicable in the year 2014, will also be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage.

Losses arising from disposals for consideration in favour of counterparties subject to a clearly more favourable tax regime in the country, territory or region where it is a tax resident, listed in the Ministerial Order no. 150/2004 of 13th February, as amended by Ministerial Order no. 292/2011, of 8th November,

are disregarded for purposes of assessing the positive or negative balance referred to in the previous paragraph.

Portuguese Resident Corporate Entities: Corporate Income Tax (“Imposto sobre o Rendimento das Pessoas Colectivas”) (“IRC”)

C. Investment Income/Capital Gains

Any gains or default interest obtained by Portuguese corporate entities in relation to the ETC Securities will be included in their taxable income and are subject to a corporate tax rate of 23 per cent. (small and medium-sized enterprises, as defined by law and subject to the *minimis* rule of the European Union, avail of a 17 per cent. corporate income tax rate for the first €15,000 of taxable income) applicable on taxable income, which may be subject to a municipal surcharge (“*derrama municipal*”) of up to 1.5 per cent., over the entity’s taxable profits. Taxable profits will also become subject to a progressive state surcharge (“*derrama estadual*”) according to which, 3 per cent. will be applicable on the portion of taxable profit between €1.5 million and €7.5 million, 5 per cent. on the portion of the taxable profit between €7.5 million and €35 million and 7 per cent. on the portion exceeding €35 million.

Considering that the Issuer of the ETC Securities is a non-Portuguese resident entity, no Portuguese withholding tax on account of the final IRC liability of Portuguese corporate investors will apply, irrespective of the location of the paying agent.

b. Non resident

IRS / IRC

D. Investment Income/Capital Gains

Any gains or default interest obtained with the ETC Securities by an individual or a legal person who is neither resident nor engaged in business through a permanent establishment in Portugal to which those amounts attributable are not subject to Portuguese income tax.

Spain

General

It must be noted that the tax treatment of the ETC Securities is not specifically foreseen in Spanish legislation. Therefore, the principles contained in said legislation are the ones to be applied to reach to conclusions as to the tax treatment of the ETC Securities.

Neither the Spanish Tax Authorities nor Spanish courts have ruled on the tax treatment of the ETC Securities, or on similar products.

Therefore, the following information is based on an interpretation, which the Issuer considers reasonable, of general principles underlying Spanish taxation as well as those traditionally governing official guidance issued by the Spanish Tax Authorities on financial products. It is also based on the following patterns: (i) that the ETC Securities would be classified for tax purposes in Spain as debt securities, and that (ii) according to the regulatory and legal regime in Jersey, the Issuer is not a collective investment institution³.

³ Although it is not the Issuer’s opinion (due to the fact that the Issuer is not a collective investment institution under the Jersey legislation, and that the ETC Securities are debt securities, and not shares or units in the share capital or equity of the Issuer), it cannot be fully disregarded that the Spanish Tax Authorities might try to recharacterise the ETC Securities as interests in collective investment institutions. In such a case, the Spanish Tax Authorities could try to apply the special tax regime applicable to participants in collective investment institutions established in tax haven jurisdictions, since currently Jersey is a tax haven territory under Spanish legislation.

The following is a summary of certain Spanish tax considerations relevant to a Securityholder. This statement must not be understood to be tax advice. It is based on the Spanish tax laws and their interpretation as of 1 January 2014. This description does not purport to be complete with respect to the tax information that may be relevant for the Securityholder due to his personal circumstances. Prospective buyers of the ETC Securities are advised to consult their professional tax adviser regarding the tax consequences of the purchase, ownership, disposal, redemption or transfer without consideration of the Security.

Taxation of a Spanish Tax Resident Individual

According to article 25.2 of the Spanish Personal Income Tax Act, any positive or negative income earned by Spanish tax resident individuals from the ETC Securities would be considered as yield from movable capital obtained from the assignment of own capital to third parties.

In case of transfer, redemption or cash settlement, the taxable income obtained by the investor would be the difference between the amount received (reduced in the expenses related to the transfer) and the acquisition cost or subscription value (incremented in the costs related to the acquisition).

According to the Spanish legislation, positive or negative income from movable capital will be included in the so called "savings income taxable base", being taxed on a net basis, currently at the following rates: 21 per cent. for taxable income up to €6,000; 25 per cent. for taxable income between €6,001 and €24,000; and 27 per cent. for any taxable income exceeding €24,000. From 1 January 2015 onwards it is currently envisaged that applicable rates will go back to those applying up to 31 December 2011, i.e. 19 per cent. for the first €6,000 of taxable income and 21 per cent. for any excess.

As regards income earned by Spanish tax resident individuals from the ETC Securities, no Spanish withholding taxes should be deducted by the Issuer considering it is resident in Jersey, as long as it does not have a permanent establishment in Spain.

However, Spanish withholding taxes on income obtained under the ETC Securities may have to be deducted by other entities, as follows:

- (i) Income earned upon transfer of the ETC Securities may be subject to Spanish withholding tax (currently at a 21 per cent. rate and 19 per cent. as from fiscal year 2015), to be deducted by the financial entity acting on behalf of the seller, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory. This 21 per cent. withholding tax can be credited against the final tax liability of the investor;
- (ii) Income earned upon redemption may be subject to Spanish withholding tax (currently at a 21 per cent. rate and 19 per cent. as from fiscal year 2015), to be deducted by the financial entity appointed by the Issuer (if any) for redemption of the ETC Securities, provided such entity is resident for tax purposes in Spain or has a permanent establishment in the Spanish territory. This 21 per cent. withholding tax can be credited against the final tax liability of the investor.

If such were the case, it could lead to the application of a tax treatment radically different from that described herein. In particular, among other consequences, taxpayers holding an interest in a collective investment institution established in a tax haven jurisdiction are liable to include any increase in the value of their investment (in terms of net asset value) in their annual taxable base (with a 15 per cent. annual increase presumed unless proved otherwise), therefore not being able to defer payment of tax until the redemption or sale of the investment.

Prospective buyers of the ETC Securities are advised to consult their own professional tax advisers as regards this potential risk.

In addition, please note that the tax classification of the ETC Securities as debt securities for Spanish tax purposes could also be a matter of controversy. In the Issuer's opinion, and following the traditional position of the Tax Authorities in Spain, the ETC Securities should be classified as debt securities for tax purposes, leading to the tax regime, which is described herein. Should the Spanish Tax Authorities classify the ETC Securities as instruments generating capital gains or losses, the tax treatment could be different, potentially impacting aspects such as withholding tax or applicable tax rates.

Taxation of a Spanish Tax Resident Company

Any income (whether positive or negative) earned by a Spanish tax resident entity from the investment in the ETC Securities would be included in the taxable base of the said entity in accordance with Spanish accounting standards, being taxed at the rate corresponding to the Securityholder (currently, general Corporate Income Tax rate is 30 per cent.).

According to article 59 of the Corporate Income Tax Regulations, in case of ETC Securities traded in a Spanish regulated market (and such securities are represented in book entries) or in any official organized markets of OECD countries, no withholding tax shall be applied on income derived from such securities. Otherwise, a 21 per cent. (or 19 per cent. as from fiscal year 2015) withholding tax should be levied provided that there is an entity obliged to withhold tax according to Spanish Corporate Income Tax legislation.

According to article 17.2 of the Spanish Corporate Income Tax Act, Spanish corporate taxpayers who enter into transactions with natural persons or entities resident in tax havens (such as Jersey) are obliged to value such transactions at arm's length prices, even if such tax haven resident parties are not related parties for Spanish tax purposes. Furthermore, certain reporting obligations foreseen in article 21.ter of the Spanish Corporate Income Tax Regulations will have to be complied with.

EU Tax Savings Directive: Implementation in Spain

Spain has implemented the EU Savings Directive, which provisions are currently established by Royal Decree 1065/2007. According to such Royal Decree, subject to certain conditions being met, in the case of interest and other similar amounts derived from the transfer or redemption of securities and paid from 1 July 2005 to individuals who qualify as beneficial owners of the income and who are resident for tax purposes in another Member State or in certain third states that have signed exchange of information agreements with Spain, Spanish paying entities resident for tax purposes in Spain and any other Spanish entity paying such amounts for professional or business reasons shall report to the Spanish Tax Authorities details of the relevant payments and personal information on the individual beneficial owner (reporting tax form 299).

Natural or legal persons tax resident outside Spain

Income obtained without a permanent establishment

Under Spanish Non Residents Income Tax Act, income derived from the ETC Securities by non-Spanish resident holders should not be considered as income obtained within the Spanish territory (and therefore, should not become taxable in Spain) as long as such non resident investors are not acting in Spain through a permanent establishment in connection with the holding of the ETC Securities.

Income obtained through a permanent establishment

Generally, income derived from the ETC Securities earned by a permanent establishment located in Spain of a non-resident would be subject to taxation in Spain, in similar terms to Spanish tax resident companies, subject to any particularities arising out of any applicable Double Taxation Treaty.

Net Wealth Tax

Spanish tax resident individual investors should note that according to Net Wealth Tax Act as amended most recently by Act 22/2013 (subject to any exceptions provided under relevant legislation in each autonomous region (*Comunidad Autónoma*)), the net worth of any Spanish tax resident individuals in excess of € 700,000 is subject to Net Wealth Tax in respect of year 2014.

Therefore, investors who are Spanish tax resident individuals should take into account the value of the ETC Securities which they hold as at 31 December 2014 for the purposes of Spanish Net Wealth Tax.

Under Act 22/2013, Spanish Net Wealth Tax is scheduled to be removed from 1 January 2015.

Spanish companies are not subject to this Tax. Non-Spanish residents, both individuals and companies, will not be subject to this tax on the holding of the ETC Securities.

Inheritance and Gift Tax

The acquisition of the ETC Securities by Spanish tax resident individuals as a result of inheritance or gift would be subject to the general rules of the Spanish Inheritance and Gift Tax (as amended by each autonomous region (*Comunidad Autónoma*) where applicable and therefore subject to any regional tax exemptions available to them).

If the beneficiary of any inheritance or gift were a Spanish legal entity or a non-resident entity with a permanent establishment in Spain, any income obtained would be subject to taxation under the Spanish Corporate Income Tax or Non Residents Income Tax, subject to the application of any relevant double tax treaties.

In principle, non resident individuals and non resident entities not acting through a permanent establishment in the Spanish territory would not be subject to Spanish Inheritance and Gift Tax on the acquisition of the ETC Securities.

Sweden

The following summary outlines certain Swedish tax consequences relating to holders of ETC Securities that are considered to be resident in Sweden for Swedish tax purposes. The summary is based on the laws of Sweden as currently in effect and is intended to provide general information only. This description outlines Swedish taxes withheld at source only and thus does not deal comprehensively with all tax consequences that may occur for holders of ETC Securities, nor does it cover the specific rules where ETC Securities are held by a partnership or as current assets in a business operation. Special tax consequences that are not described below may also apply for certain categories of taxpayers, including investment companies, mutual funds and life insurance companies. The summary does not address the rules regarding reporting obligations for, among others, payers of interest (except for the EU Savings Directive). Further, the summary is based on the assumption that the ETC Securities will not be treated as units in investment funds for Swedish tax purposes. Credit of foreign taxes is not addressed in the summary. Investors should consult their professional tax advisers regarding the Swedish tax and other tax consequences (including the applicability and effect of foreign tax rules, provisions contained in tax treaties for the avoidance of double taxation and other rules which may be applicable) of acquiring, owning and disposing of ETC Securities in their particular circumstances.

Holders Resident in Sweden

Generally, for Swedish corporations and private individuals (and estates of deceased individuals) resident in Sweden for Swedish tax purposes, all capital income (e.g. amounts that are considered to be interest for Swedish tax purposes and capital gains on ETC Securities) will be taxable at a rate of 30 per cent.. Further, specific tax consequences may be applicable if, and to the extent, a holder of ETC Securities realises a capital loss on the ETC Securities and to any currency exchange gains or losses.

If amounts that are considered to be interest for Swedish tax purposes are paid by a legal entity domiciled in Sweden, including a Swedish branch, to a private individual (or an estate of a deceased individual) resident in Sweden for Swedish tax purposes, Swedish preliminary taxes are normally withheld by the legal entity on such payments. Swedish preliminary taxes will normally be withheld also on other returns on securities and receivables (but not capital gains), if such return is paid out together with an amount that is considered to be interest for Swedish tax purposes.

The EU Savings Directive

The EU Savings Directive was implemented into Swedish law through Chapter 12, Section 3a of the Swedish Act on the Filing of Income Tax Returns and Statements of Income (2001:1227) and is effective

from 1 July 2005. This rule has been replaced by the supplementary legislation that was decided to implement the EU Savings Directive and the EU Savings Directive is currently implemented through the rules in the Swedish Tax Procedural Act (Sw. *Skatteförfarandelagen (2011:1244)*). In accordance with the EU Savings Directive, a Swedish Paying Agent making an interest or other similar payment on behalf of the Issuer, to an individual resident in another EU Member State, is liable to report the paid interest (or other relevant amount) to the Swedish Tax Agency. The Swedish Tax Agency will forward the information to the tax authorities in the EU Member State where the individual recipient is resident.

Switzerland

Swiss Tax Resident Securityholders

If the ETC Securities are held as *private assets*, the ETC Securities (including FX Hedged ETC Securities) should in principle generate capital gains exempt from income tax or non-deductible capital losses. It can, however, not be ruled out that, as a result of the Minimum Debt Amount, the Swiss tax authorities treat the ETC Securities as a product combining a certificate and structured product, combining bond and option components. In that case and provided that the ETC Securities qualify as transparent products within the meaning of the practice of the Swiss federal tax administration (which is the case for most structured products), any proceeds received by the Securityholders upon sale or redemption of the ETC Securities would have to be allocated between the bond and option component of the ETC Securities (with the share of the profit attributed to the bond component being characterised as taxable interest income and the share of the profit attributed to the option component as tax-exempt capital gain).

If the ETC Securities are held as business assets, any profit derived from the ETC Securities in excess of their book value is subject to ordinary (individual or corporate) income tax. Contrary to individual income tax, corporate income tax is generally a flat tax (the rate of which also varies depending on the cantons and commune of seat of the corporation).

Swiss Withholding Tax

Payments under the ETC Securities will not be subject to Swiss withholding tax (35 per cent.), provided that the Issuer of the ETC Securities is at all times domiciled and effectively managed outside of Switzerland and provided that the proceeds from the offering and sale of the ETC Securities are used outside of Switzerland.

Stamp Taxes (Issuance Stamp Tax, Securities Transfer Tax)

The issue of the ETC Securities is not subject to the Swiss federal issuance stamp tax.

Sale or purchase of ETC Securities may be subject to securities transfer stamp tax (0.3 per cent. in relation to foreign securities) if the ETC Securities have to be characterised as structured product, if a Swiss securities dealer (e.g. a Swiss bank or broker) is involved as an intermediary or as a counterparty in such transactions and if no specific (full or half) exemption is available. Exemptions may be available in relation to specific parties (e.g. a half exemption applies in relation to a party qualifying as an exempt investor, e.g. collective investment scheme or foreign pension funds) or in relation to specific transactions (e.g. full exemption applies in case of redemptions, or in relation to specific types of securities).

Implementation of the EUSD Directive

On 26 October 2004, the European Community and Switzerland concluded an agreement on the taxation of savings income by way of a specific withholding tax system or a voluntary declaration in the case of transactions between parties in the EU Member States and Switzerland. Accordingly, Switzerland introduced a specific withholding tax on interest payments (including accrued interest on the sale of securities) or other similar income paid by a Swiss paying agent to an individual residing in the EU

effective as from 1 July 2005. The withholding tax rate is currently 35 per cent., unless the investor elects for the exchange of information.

According to Guidelines issued by the Federal Tax Administration on 1 July 2013 relating to the taxation of savings income, Swiss banks, securities dealers, as well as other companies or individuals, who on a professional basis, occasionally or regularly, accept to invest in interest producing investments for third parties and who transfer interest qualify as “paying agents” (from the perspective of the withholding of tax). Swiss paying agents have the duty to identify the beneficial owners of the interest and to register with the Federal Tax Administration.

According to the Guidelines, payments arising from ETC Securities should in principle not be considered as interest subject to withholding tax under the agreement between EU Member States and Switzerland.

Foreign final withholding tax

The Swiss Federal Council recently signed treaties with the United Kingdom and Austria providing, *inter alia*, for a final withholding tax. The treaties entered into force on 1 January 2013 and might be followed by similar treaties with other European countries.

According to the treaties, a Swiss paying agent may have to levy a final withholding tax on capital gains and on certain income items deriving, *inter alia*, from ETC Securities. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting State on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

As regards the regularisation of specific assets defined in the treaties and held by individuals of a contracting State with a Swiss paying agent prior to the entry into force of the treaties, such individuals may opt either for a one-off payment substituting the tax liability in the state of residency with regard to such assets or for the voluntary disclosure of such assets to the tax authority of the state of residency.

Securityholders who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

United Kingdom

The following is a summary of the Issuer’s understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs (“**HMRC**”) practice as at the date of this Base Prospectus relating to certain aspects of the United Kingdom tax treatment of ETC Securities. The comments do not deal with other United Kingdom tax aspects of acquiring, holding or disposing of ETC Securities.

The following summary relates to investors who are individuals (i.e. natural persons) acting in a private capacity and who are resident and domiciled in the United Kingdom for tax purposes (“**UK Individuals**”) or that are legal persons within the charge to United Kingdom corporation tax and hold ETC Securities as an investment. The summary relates only to the position of persons who are absolute beneficial owners of ETC Securities and does not deal with the position of certain categories of investor, such as dealers and persons connected with the Issuer. This summary is intended only as a general guide and investors and prospective investors are strongly urged to seek tax advice from appropriate professional advisers regarding an investment in ETC Securities, including as to how any Series of ETC Securities will be classified for tax purposes and the tax consequences of such classification.

Investors and prospective investors in ETC Securities should be aware that the particular terms of issue of any Series of ETC Securities as specified in the relevant Final Terms may affect how that Series of ETC Securities is classified for United Kingdom tax purposes and, in general, the United Kingdom tax treatment of that Series of ETC Securities. The following summary relates only to certain possible classifications of ETC Securities and does not cover the United Kingdom tax treatment of all possible Series of ETC Securities that could be issued under the Programme. In addition, the United Kingdom tax

position of specific holders of ETC Securities will depend on their own specific circumstances. Accordingly, the following is a general guide and should be treated with appropriate caution.

The comments below are made on the assumption that the Issuer is neither resident in the United Kingdom for United Kingdom tax purposes nor carrying on a trade in the United Kingdom for United Kingdom tax purposes. This summary is subject to any change in law or HMRC practice that may take effect after the date of this Base Prospectus.

Investors and prospective investors who may be liable to taxation in jurisdictions other than the United Kingdom in respect of their acquisition, holding or disposal (including a redemption) of ETC Securities should also consult their professional advisers as to whether they are so liable (and if so under the laws of which jurisdictions), since the following comments relate only to certain United Kingdom taxation aspects in respect of the ETC Securities. In particular, investors and prospective investors should be aware that they may be liable to taxation under the laws of the United Kingdom and other jurisdictions in relation to payments in respect of the ETC Securities even if such payments may be made without withholding or deduction for or on account of taxation under the laws of the United Kingdom.

Withholding tax and reporting requirements

The Issuer may make payments in respect of any Series of ETC Securities without deduction or withholding for or on account of United Kingdom tax where such payments do not have a “UK source”.

If payments have a “UK source”, payments made by the Issuer in respect of any Series of ETC Securities may nevertheless be made without deduction or withholding for or on account of United Kingdom tax if that Series is listed on a “recognised stock exchange” within the meaning of section 1005 of the Income Tax Act 2007 (“**ITA 2007**”). This is as a result of the exemption from withholding tax for quoted Eurobonds set out in section 882 ITA 2007. On the basis of information published by HMRC regarding which stock exchanges are so recognised, the London Stock Exchange is, amongst other stock exchanges, a recognised stock exchange for these purposes and, therefore, payments in respect of ETC Securities may be made without withholding or deduction for or on account of United Kingdom tax if, and for so long as, such ETC Securities are listed on the London Stock Exchange or any other recognised stock exchange.

Payments with a “UK source” made by the Issuer in respect of any Series of ETC Securities that is not listed on a recognised stock exchange may be made without deduction or withholding for or on account of United Kingdom tax if such payments are “excepted payments” within sections 933 to 937 ITA 2007.

Payments under any Series of ETC Securities may have a “UK source” if the Underlying Metal in relation to such Series is located in warehouses in the United Kingdom and in other circumstances.

The United Kingdom withholding tax treatment of any payments which are “UK source” and which are not “excepted payments”, which are made in respect of any Series of ETC Securities which is not listed on a such a recognised stock exchange, will depend upon the specific circumstances, and the specific terms of such Series including whether any payments in respect of the relevant Series fall to be treated as interest for United Kingdom tax purposes.

HMRC has powers to obtain information relating to securities in certain circumstances. This may include details of the beneficial owners of the ETC Securities (or the persons for whom the ETC Securities are held), details of the persons to whom payments derived from the ETC Securities are or may be paid and information and documents in connection with transactions relating to the ETC Securities. Information may be required to be provided by, amongst others, the holders of the ETC Securities, persons by (or via) whom payments derived from the ETC Securities are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the ETC Securities on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be provided to tax authorities in other countries.

EU Savings Directive

For a general discussion of the EU Savings Directive, see page 242 below.

General

HMRC has provided guidance to the effect that it is their view that Series of ETC Securities are generally likely to constitute interests in an “offshore fund” and not to constitute debt securities or deeply discounted securities for UK tax purposes. In light of this guidance, the sections below deal with the likely United Kingdom tax treatment where the ETC Securities are treated as “offshore funds” and not as debt securities.

UK Individuals

In general, for an investor subject to United Kingdom tax, all profits arising on a Series of ETC Securities will be taxable profits for United Kingdom tax purposes, either as income and, therefore, subject to United Kingdom income tax, or capital gains and, therefore, subject to capital gains tax depending on the circumstances. However, in light of the HMRC guidance referred to above, the likely United Kingdom tax treatment of Series of ETC Securities is set out below on the assumption that ETC securities constitute “offshore funds” and not debt securities or deeply discounted securities, although other alternative treatments may be possible depending on the specific terms of the Series of ETC Securities that are issued.

Offshore funds

In respect of any Series of ETC Securities which falls to be treated as an interest in an “offshore fund”, as defined in section 355 Taxation (International and Other Provisions) Act 2010 (“**TIOPA 2010**”), for the purposes of the United Kingdom offshore fund rules within Part 8 TIOPA 2010 (an “**Offshore Fund**”), and not as debt securities or deeply discounted securities, any gain accruing to an investor who is a UK Individual upon the sale, redemption or other disposal of ETC Securities of that Series will constitute taxable income rather than capital gain for United Kingdom tax purposes if that Series of ETC Securities does not have “reporting fund” status under the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001).

In relation to any Series of ETC Securities which constitutes an Offshore Fund (and not deeply discounted securities or debt securities) which obtains recognition by HMRC as a “reporting fund”, any profit arising to an investor who is a UK Individual on the sale, redemption or other disposal of such ETC Securities should constitute capital gain rather than income for United Kingdom tax purposes provided that such recognition by HMRC as a reporting fund is maintained throughout the period during which the ETC Securities are held by that investor. In relation to any such Series recognised as a reporting fund, the Issuer would be required to report to each investor their share of the net income attributable to the relevant Series of ETC Securities. Any such reported income would constitute taxable income (rather than capital gain) for any investor who is a UK Individual, but would also be added to that investor’s base cost of the ETC Securities for the purposes of calculating any capital gain made on the sale, redemption or other disposal of the ETC Securities. The Issuer is subject to certain other ongoing obligations in relation to any Series of ETC Securities for which reporting fund status has been obtained.

Certain Series of ETC Securities have been recognised by HMRC as reporting funds, although there is no guarantee that such status will be maintained for all future periods of account of the Issuer. A list of the Series of ETC Securities that have reporting fund status can be found at: <http://www.hmrc.gov.uk/collective/rep-funds.xls>. Application may be made to HMRC for one or more further Series of ETC Securities to be recognised as reporting funds. However, no assurance is given as to whether such applications will be made or whether recognition as reporting funds will be obtained and maintained for all future periods of account of the Issuer.

Inheritance tax

For the purposes of United Kingdom inheritance tax, an ETC Security may form part of the value of the estate of an investor who is a UK Individual and United Kingdom inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of an ETC Security on a gift of that ETC Security by, or the death of, an investor who is a UK Individual. Such a tax charge may be subject to appropriate provisions in any applicable double tax treaty.

Corporate Holders

In general, for an investor subject to United Kingdom corporation tax, all profits arising on a Series of ETC Securities will be taxable profits for United Kingdom corporation tax purposes, either as income or chargeable gains, depending on the circumstances. However, in light of the HMRC guidance referred to above, the likely United Kingdom tax treatment of Series of ETC Securities is set out below on the assumption that ETC Securities constitute “offshore funds” and not loan relationships, although other alternative treatments may be possible depending on the specific terms of the Series of ETC Securities that are issued.

Offshore funds

In respect of any Series of ETC Securities which falls to be treated as an interest in an Offshore Fund and not as a loan relationship, any profit arising to an investor that is subject to United Kingdom corporation tax on the sale, redemption or other disposal of ETC Securities of that Series will constitute profit of an income nature rather than chargeable gain for United Kingdom corporation tax purposes if that Series of ETC Securities does not have “reporting fund” status under the Offshore Funds (Tax) Regulations 2009 (SI 2009/3001).

In relation to any Series of ETC Securities which constitutes an Offshore Fund (and does not fall within the loan relationship rules) which obtains recognition by HMRC as a “reporting fund”, any profit arising to an investor that is subject to United Kingdom corporation tax on the sale, redemption or other disposal of such ETC Securities will constitute chargeable gain rather than profits of an income nature for United Kingdom corporation tax purposes, provided that recognition by HMRC as a reporting fund is maintained for all accounting periods during which the ETC Securities are held by that investor.

In relation to any such Series recognised as a reporting fund, the Issuer would be required to report to each investor their share of the net income attributable to that Series of ETC Securities. Any such reported income would constitute taxable profits of an income nature (rather than chargeable gain) for United Kingdom corporation tax purposes for any investor that is subject to United Kingdom corporation tax, but would also be added to that investor’s base cost of the ETC Securities for the purposes of calculating any chargeable gain made on the sale, redemption or other disposal of such ETC Securities. The Issuer is subject to certain other ongoing obligations in relation to any Series of ETC Securities for which reporting fund status is obtained.

Certain Series of ETC Securities have been recognised by HMRC as reporting funds, although there is no guarantee that such status will be maintained for all future periods of account of the Issuer. A list of the Series of ETC Securities that have reporting fund status can be found at: <http://www.hmrc.gov.uk/collective/rep-funds.xls>. Application may be made to HMRC for one or more further Series of ETC Securities to be recognised as reporting funds. However, no assurance is given as to whether such applications will be made or whether recognition as reporting funds will be obtained and maintained for all future periods of account of the Issuer.

Stamp duties

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of ETC Securities or on the issue or (subject to the following paragraph) transfer of ETC Securities provided, in the case of Uncertificated Registered Securities, the Register in respect of such ETC Securities is kept and maintained outside the United Kingdom at all times.

In the event that written instruments of transfer of ETC Securities were to be used, or there were any written agreements to transfer ETC Securities, any such written instruments of transfer or agreements could, depending on the circumstances, be subject to UK stamp duty if such instruments or agreements are executed in the United Kingdom or related to property, assets or matters done or to be done in the United Kingdom. However, no practical obligation to pay any such United Kingdom stamp duty would arise unless such instruments or agreements were needed as evidence before a UK court, tribunal, tax authority or other public body in which event it may be necessary, depending upon the circumstances, for interest and/or penalties to be paid in addition to the stamp duty.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL UK TAX CONSEQUENCES RELATING TO THE OWNERSHIP OF ETC SECURITIES. IN PARTICULAR, THE TAX TREATMENT OF ANY SERIES OF ETC SECURITIES MAY BE AFFECTED BY THE TERMS OF ISSUE OF THAT SERIES OF ETC SECURITIES AS SPECIFIED IN THE RELEVANT FINAL TERMS AND WILL DEPEND ON THE CLASSIFICATION OF THAT SERIES OF ETC SECURITIES FOR TAX PURPOSES AND THE INVESTOR'S OWN CIRCUMSTANCES. INVESTORS AND PROSPECTIVE INVESTORS SHOULD CONSULT APPROPRIATE TAX ADVISERS CONCERNING THE TAX CONSEQUENCES OF THE SPECIFIC SERIES IN QUESTION AND THEIR PARTICULAR SITUATION.

EU Savings Directive

The EU Savings Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or for the benefit of) an individual or certain other persons in that other Member State, except that Austria and Luxembourg will instead impose a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise. The Luxembourg government has announced its intention to elect out of the withholding system in favour of an automatic exchange of information with effect from 1 January 2015. A number of third countries (including Switzerland) and certain dependent or associated territories of certain Member States have adopted similar measures to the EU Savings Directive.

On 24 March 2014, the Council of the European Union adopted a Directive amending the EU Savings Directive which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending Directive broadens the circumstances in which details of payments must be provided or tax withheld. Member States have until 1 January 2016 to adopt national legislation necessary to comply with the amending Directive.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for ETC Securities from the Issuer. The Authorised Participant(s) in respect of each Series of ETC Securities at the Issue Date of such Series will be specified in the relevant Final Terms.

Securities may be offered to any category of potential investors provided that the offer complies with the selling restrictions set out below in this "Subscription and Sale" section (the "**Selling Restrictions**").

Selling Restrictions

United States

The ETC Securities have not been and will not be registered under the Securities Act or under the securities law of any state or political sub-division of the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the Commonwealth of Puerto Rico (collectively, the "**United States**"). No person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CFTC Rules of the CFTC, and the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended, nor under any other United States federal laws. The ETC Securities are being offered and sold in reliance on an exemption from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("**Regulation S**").

Accordingly, the ETC Securities may not be offered, sold, pledged or otherwise transferred except (i) in an "Offshore Transaction" (as such term is defined under Regulation S) and (ii) to or for the account or benefit of a Permitted Transferee.

A "**Permitted Transferee**" means any person who is not any of:

- (a) a U.S. person as defined in Rule 902(k)(1) of Regulation S;
- (b) a person who comes within any definition of U.S. person for the purposes of the CEA or any CFTC rule, guidance or order proposed or issued under the CEA (for the avoidance of doubt, any person who is not a "Non-United States person" as such term is defined under CFTC Rule 4.7(a)(1)(iv), but excluding, for purposes of subsection (D) thereof, the exception for qualified eligible persons who are not "Non-United States persons", shall be considered a U.S. person); or
- (c) a "resident of the United States" for purposes of, and as defined in implementing regulations proposed or issued under, Section 13 of the Bank Holding Company Act of 1956, as amended ("**BHC Act**").

Transfers of ETC Securities within the United States or to any person other than a Permitted Transferee (a "**Non-Permitted Transferee**") are prohibited.

The foregoing restrictions on the offer, sale, pledge or other transfer of ETC Securities to a Non-Permitted Transferee may adversely affect the ability of an investor in the ETC Securities to dispose of the ETC Securities in the secondary market, if any, and significantly reduce the liquidity of the ETC Securities. As a result, the value of the ETC Securities may be materially adversely affected.

As defined in Rule 902(k)(1) of Regulation S, "U.S. person" means:

- (a) Any natural person resident in the United States;
- (b) Any partnership or corporation organized or incorporated under the laws of the United States;
- (c) Any estate of which any executor or administrator is a U.S. person;
- (d) Any trust of which any trustee is a U.S. person;

- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
- (h) Any partnership or corporation if:
 - (i) organized or incorporated under the laws of any foreign jurisdiction; and
 - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in §230.501(a)) who are not natural persons, estates or trusts.

As defined in CFTC Rule 4.7, modified as indicated above, “Non-United States person” means:

- (a) A natural person who is not a resident of the United States;
- (b) A partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (c) An estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) An entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of part 4 of the Commodity Futures Trading Commission’s regulations by virtue of its participants being Non-United States persons; and
- (e) A pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

As defined in the CFTC’s proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA, 77 Fed. Reg. 41214, 218 (Jul. 12, 2012), “U.S. person” means:

- (a) Any natural person who is a resident of the United States;
- (b) Any corporation, partnership, limited liability company, business or other trust, association, joint-stock company, fund, or any form of enterprise similar to any of the foregoing, in each case that is either
 - (i) organized or incorporated under the laws of the United States or having its principal place of business in the United States (“legal entity”) or
 - (ii) in which the direct or indirect owners thereof are responsible for the liabilities of such entity and one or more of such owners is a U.S. person;
- (c) Any individual account (discretionary or not) where the beneficial owner is a U.S. person;
- (d) Any commodity pool, pooled account, or collective investment vehicle (whether or not it is organized or incorporated in the United States) of which a majority ownership is held, directly or indirectly, by a U.S. person(s);
- (e) Any commodity pool, pooled account, or collective investment vehicle the operator of which would be required to register as a commodity pool operator under the CEA;
- (f) A pension plan for the employees, officers, or principals of a legal entity with its principal place of business inside the United States; and
- (g) An estate or trust, the income of which is subject to United States income tax regardless of source.

As defined in proposed implementing regulations issued under Section 13 of the BHC Act, 76 Fed. Reg. 68846 (Nov, 7, 2011), “resident of the United States” means:

- (a) Any natural person resident in the United States;
- (b) Any partnership, corporation or other business entity organized or incorporated under the laws of the United States or any State;
- (c) Any estate of which any executor or administrator is a resident of the United States;
- (d) Any trust of which any trustee, beneficiary or, if the trust is revocable, any settlor is a resident of the United States;
- (e) Any agency or branch of a foreign entity located in the United States;
- (f) Any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary for the benefit or account of a resident of the United States;
- (g) Any discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary organized or incorporated in the United States, or (if an individual) a resident of the United States; or
- (h) Any person organized or incorporated under the laws of any foreign jurisdiction formed by or for a resident of the United States principally for the purpose of engaging in one or more transactions described in the permitted activity exemptions set forth in §__.6(d)(1) or §__.13(c)(1) of the proposed regulations for certain activities conducted solely outside of the United States.

The definitions set forth above of (i) “U.S. Person” in the CFTC’s proposed interpretive guidance and policy statement regarding cross-border application of certain swaps provisions of the CEA and (ii) “resident of the United States” in the proposed implementing regulations issued under Section 13 of the BHC Act are accurate as of the date of this Base Prospectus, but are subject to change upon the issuance of final guidance and implementing regulations, respectively. Each person who offers, sells, pledges or otherwise transfers ETC Securities has exclusive responsibility for ensuring that its offer, sale, pledge or other transfer is not to or for the account or benefit of any person other than a Permitted Transferee as such term is defined as of the date of such offer, sale, pledge or other transfer.

The ETC Securities have not been approved or disapproved by the United States Securities and Exchange Commission (“**SEC**”) or any other regulatory agency in the United States, nor has the SEC or any other regulatory agency in the United States passed upon the accuracy or adequacy of this document or the merits of the ETC Securities. Any representation to the contrary is a criminal offence. Furthermore, the ETC Securities do not constitute, and have not been marketed as, contracts for the sale of a commodity for future delivery (or options thereon) subject to the CEA, and neither trading in the ETC Securities nor this document has been approved by the CFTC under the CEA, and no person other than a Permitted Transferee may at any time trade or maintain a position in the ETC Securities. ETC Securities in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has complied and will comply with the aforementioned transfer and selling restrictions. Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver the ETC Securities of any identifiable Tranche except in accordance with Rule 903 of Regulation S, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such ETC Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of ETC Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such ETC Securities to the public in that Relevant Member State:

- (i) if consent has been given by the Issuer to the Authorised Participant for it to make an offer of those ETC Securities other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of the Base Prospectus in relation to such ETC Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive;
- (ii) at any time to a legal entity which is a qualified investor as defined in the Prospectus Directive;
- (iii) at any time to fewer than 100, or if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants appointed by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of ETC Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of ETC Securities to the public” in relation to any ETC Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ETC Securities to be offered so as to enable an investor to decide to purchase or subscribe the ETC Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

United Kingdom

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

- (i) in relation to any ETC Securities which have a maturity of less than one year (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any ETC Securities other than to persons whose ordinary activities involve them in

acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the ETC Securities would otherwise constitute a contravention of section 19 of the FSMA by the Issuer;

- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any ETC Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such ETC Securities in, from or otherwise involving the United Kingdom.

Austria

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it has not and will not offer any Bearer Securities to the public in Austria, except that an offer of Bearer Securities may be made to the public in Austria:

- (i) in the period beginning one bank working day following:
 - (a) the date of publication of the prospectus including any supplements but excluding any Final Terms, in relation to those Bearer Securities issued by the Issuer which have been approved by *Finanzmarktaufsichtsbehörde* in Austria (the “**FMA**”) or, where appropriate, approved in another Member State and notified to the FMA, all in accordance with the Prospectus Directive;
 - (b) or being the date of publication and of communication to FMA of the relevant Final Terms for the Bearer Securities issued by the Issuer; and
 - (c) the date of filing of a notification with *Oesterreichische Kontrollbank*, all as prescribed by the Capital Market Act 1991, as amended (“**CMA**”: *Kapitalmarktgesetz* 1991); or
- (ii) otherwise in compliance with the CMA.

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it has not offered and will not offer any Uncertified Registered Securities either publicly or by way of private placement in Austria.

Each Authorised Participant represents, warrants and agrees in the relevant Authorised Participant Agreement that it will within any information and/or marketing document or other communication directed to investors clearly disclose to any (potential) investor in the ETC Securities by using a highlighted disclaimer (e.g. in bold letters) the limited recourse character of payments under the ETC Securities which are, *inter alia*, linked to the performance of a Metal’s price and depend on the creditworthiness of third parties (other than the Issuer), the subordination of Securityholders’ claims to specified claims of the Trustee, the Agents, the Programme Counterparty, the Arranger and other persons specified in the relevant Issue Deed as well as the early redemption risk due to mandatory and optional early redemption events and that it will refer to the Conditions of the Bearer Securities with this respect.

For the purposes of this provision, the expression “an offer of Bearer Securities to the public” means the communication to the public in any form and by any means of sufficient information on the terms of the offer and the Bearer Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Bearer Securities issued by the Issuer.

France

Offer to the public in France

Each of the Authorised Participants represents and agrees in the relevant Authorised Participant Agreement that it has only made and will only make an offer of ETC Securities to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“AMF”) of the approval of the Base Prospectus relating to those ETC Securities by the competent authority of a member state of the European Economic Area, other than the AMF, which has implemented the EU Prospectus Directive 2003/71/EC (as amended by Directive 2010/73/EU), all in accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus.

Private placement in France

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it has not offered or sold and will not offer or sell, directly or indirectly, any ETC Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the ETC Securities and such offers, sales and distributions have been and will be made in France only to (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 of the French Monetary and Financial Code (*Code monétaire et financier*).

This Base Prospectus has not been submitted to the clearance procedures of the AMF.

Ireland

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that:

- (i) it has not and will not underwrite the issue of, or place, any ETC Securities, otherwise than in conformity than with the provisions of S.I. No. 60 of 2007 (as amended), European Communities (Markets in Financial Instruments) Regulations 2007, including, without limitation, Parts 6, 7 and 12 thereof and any codes of conduct used in connection therewith and the provisions of the Investor Compensation Act 1998 (to the extent applicable);
- (ii) it has not and will not underwrite the issue of, or place, any ETC Securities, otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2013 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989;
- (iii) it has not and will not underwrite the issue of, or do anything in Ireland in respect of any ETC Securities otherwise than in conformity with the provisions of the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued under Section 51 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005, by the Central Bank of Ireland;
- (iv) it has not and will not underwrite the issue of, place or otherwise act in Ireland in respect of any ETC Securities, otherwise than in conformity with the provisions of the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued under Section 34 of the Irish Investment Funds, Companies and Miscellaneous Provisions Act 2005 by the Central Bank of Ireland; and

- (v) no ETC Securities will be offered or sold with a maturity of less than 12 months except in full compliance with the Central Bank of Ireland Notice BSC C 01/02.

The Netherlands

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that it will not make an offer of ETC Securities that are not to be admitted to trading on a regulated market to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive (as defined under “European Economic Area” above) unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the Dutch Financial Supervision Act, provided that no such offer of ETC Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

Portugal

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement that, regarding any offer or sale of ETC Securities by it in Portugal or to individuals resident in Portugal or having a permanent establishment located in the Portuguese territory, it will comply with all laws and regulations in force in Portugal, including (without limitation) the Portuguese Securities Code (*Código dos Valores Mobiliários*), any other regulations issued by the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*), namely Regulation 1/2009 on complex financial instruments, and Commission Regulation (EC) No.809/2004, any other laws or regulations implementing the Prospectus Directive, and other than in compliance with all such laws and regulations: (i) it has not directly or indirectly taken any action or offered, advertised, marketed, invited to subscribe, gathered investment intentions, sold or delivered and will not directly or indirectly take any action, offer, advertise, market invite to subscribe, gather investment intentions, sell, resell, reoffer or deliver any ETC Securities in circumstances which could qualify as a public offer (*oferta pública*) of securities pursuant to the Portuguese Securities Code and other applicable securities legislation and regulations, notably in circumstances which could qualify as a public offer addressed to individuals or entities resident in Portugal or having a permanent establishment located in Portugal, as the case may be; (ii) all offers, sales and distributions by it of the ETC Securities have been and will only be made in Portugal in circumstances that, pursuant to the Portuguese Securities Code, qualify as a private placement of ETC Securities only (*oferta particular*); (iii) it has not distributed, made available or caused to be distributed and will not distribute, make available or cause to be distributed the Base Prospectus, the relevant Final Terms or any other offering material relating to the ETC Securities to the public in Portugal. Furthermore, (a) if the ETC Securities are subject to a private placement addressed exclusively to qualified investors as defined, from time to time, in Article 30 of the Portuguese Securities Code (*investidores qualificados*), such private placement will be considered as a private placement of securities pursuant to the Portuguese Securities Code; (b) private placements addressed by companies open to public investment (*sociedades abertas*) or by companies issuing securities listed on a regulated market shall be notified to the CMVM for statistics purposes.

Spain

The ETC Securities may only be offered to the public in Spain pursuant to and in compliance with Law 24/1988, of 28 July, and Royal Decree 1310/2005, of 4 November, both as amended, and any regulation issued thereunder. This Base Prospectus has not been registered with the Spanish Securities Market Regulator (*Comisión Nacional del Mercado de Valores*).

Sweden

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, that it will not (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or purchase or sell ETC Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the relevant Final Terms, or distribute any draft or definitive document in relation to any such offer, invitation or sale in the Kingdom of Sweden, except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

General

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of ETC Securities to which it relates or in a supplement to this Base Prospectus.

None of the Issuer or any Authorised Participant represents that the ETC Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers ETC Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

FORM OF FINAL TERMS

Final Terms dated [●]

DB ETC PLC (the “Issuer”)

[Series [●] up to [●][●] ETC Securities due [●] issued under its Secured ETC Precious Metal Linked Securities Programme (the “ETC Securities”)]

[Issue of [●] being the Tranche Number [●] of Series [●][●] ETC Securities due [●] issued under its Secured ETC Precious Metal Linked Securities Programme (the “ETC Securities”)]

[Series [●][●] ETC Securities due [●] issued under its Secured ETC Precious Metal Linked Securities Programme (the “ETC Securities”)]

Part A – Contractual Terms

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the Supplement to the Base Prospectus dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This document constitutes the final terms of the ETC Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [(as so supplemented)]. A summary of the individual issue is annexed to the Final Terms. Full information on the Issuer and the offer of the ETC Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus] [is] [are] available for viewing on the website maintained on behalf of the Issuer at <http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20plc%20-%20Base%20Prospectus%202014>, at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent and copies may be obtained from the offices of each Paying Agent.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated [●] [and the supplemental Prospectus dated [●]]. This document constitutes the Final Terms of the ETC Securities described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [●] [and the supplemental Prospectus dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. A summary of the individual issue is annexed to the Final Terms. The Conditions shall be the terms and conditions of the ETC Securities as set out in the section entitled “Master Terms and Conditions of the ETC Securities” of the Base Prospectus dated [●] which are incorporated by reference into the Base Prospectus dated [●]. Full information on the Issuer and the offer of the ETC Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus dated [current date] [and the supplemental Prospectus dated [●]]. [The Base Prospectuses [and the supplemental Prospectus(es)] are available for viewing on the website maintained on behalf of the Issuer at <http://www.etc.db.com/GBR/ENG/Private/Downloads/Document/Prospectus/DB%20ETC%20plc%20-%20Base%20Prospectus%202014>, at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent and copies may be obtained from the offices of each Paying Agent.]

- 1 (i) Series Number: [●]
- (ii) Tranche Number (where [●][Not Applicable] applicable):

- 2 Specified Currency: [USD][EUR][●]
- 3 Principal financial centre for the Specified Currency: [●]/[Any city in which banks in general have access to the TARGET System]
- 4 Additional Business Day Jurisdictions: [Not Applicable]/[●].
- 5 Aggregate Number of ETC Securities:
- (i) Of Series: [●]
- (ii) Of Tranche (if different): [●][Not Applicable]
- 6 Initial Metal Entitlement per ETC Security:
- (i) As at Series Issue Date: [●] [fine] troy ounce[s]
- (ii) Of Tranche (where applicable): [[●] [fine] troy ounce[s]]/[Not Applicable]
- 7 Issue Price per ETC Security:
- (i) As at Series Issue Date: [is][was] an amount equal to the product of [(A) the Initial Metal Entitlement per ETC Security; and (B) the Metal Reference Price with respect to the Series Issue Date, being [●]] / [(A) the Initial Metal Entitlement per ETC Security; (B) the Metal Reference Price with respect to the Series Issue Date; and (C) the FX Spot Reference Level with respect to the Series Issue Date, being [●]]
- (ii) Of Tranche (where applicable): [●][Not Applicable]
- 8 (i) Series Issue Date: [●]
- (ii) Issue Date of Tranche (if different from Series Issue Date and where applicable): [●][Not Applicable]
- (iii) Subscription Trade Date of Tranche (where applicable): [●][Not Applicable]
- (iv) Date on which Board approval for issuance of ETC Securities obtained: [●]
- 9 Scheduled Maturity Date: [●] (unless such date is (x) postponed pursuant to a Maturity Postponement Notice, in which case that date will be postponed by the number of days specified in such Maturity Postponement Notice; or (y) not a Business Day, in which case that date will be the first following day that is a Business Day).
- 10 Metal: [Gold]/[Silver]/[Platinum]/[Palladium]/[Rhodium]
- (i) FX Hedging: The ETC Securities [are]/[are not] FX Hedged ETC Securities.
- (ii) Metal Currency: [USD]/[●]/[Not Applicable].
- (iii) Metal Reference Price Source: [Bloomberg Page BBG under the heading [GOLDLNPM]/[SLVRLN]/[PLTMLNPM]/[PLDMLNPM]] / [The

website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19)./[●].

- (iv) Metal Reference Price: In respect of a Scheduled Valuation Day, the price of the Metal [displayed on the Metal Reference Price Source corresponding to the Metal Fixing Time on such Scheduled Valuation Day, as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty]/[●].
- (v) Metal Fixing Time: [●] [London time] [or such other time as may be determined by the Programme Counterparty and specified on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19)].
- (vi) FX Forward Reference Level Source: [Bloomberg Page BFIX under the heading [●/●] and term S/N]/[●]/[Not Applicable].
- (vii) FX Forward Reference Level: [In respect of any calendar day, the forward rate, expressed in the Specified Currency, and [displayed on the FX Forward Reference Level Source for the corresponding [Metal Fixing Time]/[●] on that day as being the rate for a forward exchange of an amount of the Specified Currency for one unit of the Metal Currency (or, if the currency exchange rate is expressed as the rate for the exchange of an amount of the Metal Currency per one unit of the Specified Currency, the inverse of such rate), as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty]/[●.] / [Not Applicable.]
- (viii) FX Spot Reference Level Source: [Bloomberg Page BFIX under the heading [●/●] and term SPOT]/[●]/[Not Applicable].
- (ix) FX Spot Reference Level: [In respect of a Scheduled Valuation Day, the currency exchange rate, expressed in the Specified Currency, and [displayed on the FX Spot Reference Level Source for the corresponding [Metal Fixing Time]/[●] on such Scheduled Valuation Day as being the rate for the exchange of an amount of the Specified Currency per one unit of the Metal Currency (or, if the currency exchange rate is expressed as the rate for the exchange of an amount of the Metal Currency per one unit of the Specified Currency, the inverse of such rate), as determined by the Determination Agent and notified to the Issuer and the Programme Counterparty]/[●.] / [Not Applicable.]
- 11 Scheduled Observation Date: [The tenth Business Day of each calendar month][●]

TRANSACTION PARTIES

- 12 Authorised Participant(s):
- (i) As at the Series Issue Date:
[Deutsche Bank AG, [●]]
[Commerzbank AG, [●]]
[●]
- (ii) Any Eligible Authorised Participant that is appointed as

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

- 13 Paying Agent(s): The Issuing and Paying Agent, [●][and [●]] and the German Paying Agent], and any successor or replacement thereto.
- 14 German Paying Agent(s): [[Deutsche Bank AG, Frankfurt, [●]]/[●] and any successor or replacement Paying Agent appointed under the Agency Agreement]/[Not Applicable]
- 15 Registrar: [[Computershare Investor Services (Jersey) Limited, [●]]/[●] and any successor or replacement thereto.] / [Not Applicable]
- 16 Transfer Agent: [●]/[Not Applicable]
- 17 Eligible Authorised Participant Threshold Rating: [●] by [Fitch][Moody's][S&P]
- 18 Eligible Counterparty Threshold Rating: [●] by [Fitch][Moody's][S&P]
- 19 Eligible Custodian Threshold Rating: [●] by [Fitch][Moody's][S&P]
- 20 Eligible Metal Agent Threshold Rating: [●] by [Fitch][Moody's][S&P]

PROVISIONS RELATING TO REDEMPTION

- 21 Final Redemption Valuation Date: Expected to be [●].

PROVISIONS RELATING TO FEES

- 22 Base Fee Percentage:
- (i) Base Fee Percentage: [●]
 - (ii) Maximum Base Fee Percentage: [●] per cent. per annum
- 23 FX Hedging Fee Percentage:
- (i) FX Hedging Fee Percentage: [●] / [Not Applicable]
 - (ii) Maximum FX Hedging Fee Percentage: [[●] per cent. per annum] / [Not Applicable]

PROVISIONS RELATING TO MASTER TERMS

- 24 Version number and date of relevant version of:
- (i) Master Agency Terms: [Master Agency Terms for Uncertificated Registered Securities]/[Master Agency Terms], version number [●], dated [●] relating to the Programme.
 - (ii) Master Authorised Participant Terms: Version number [●], dated [●] relating to the Programme.
 - (iii) Master Balancing Terms: Version number [●], dated [●] relating to the Programme.
 - (iv) Master Custody Terms for Secured Accounts: Version number [●], dated [●] relating to the Programme.

- (v) Master Custody Terms for the Subscription Account: Version number [●], dated [●] relating to the Programme.
- (vi) Master Determination Agent Terms: Version number [●], dated [●] relating to the Programme.
- (vii) Master Metal Agent Terms: Version number [●], dated [●] relating to the Programme.
- (viii) Master Security Terms: Version number [●], dated [●] relating to the Programme.
- (ix) Master Terms and Conditions: Version number [●], dated [●] relating to the Programme.
- (x) Master Trust Terms: [Master Trust Terms for Bearer Securities: version number [●] dated [●] relating to the Programme.] /
[Master Trust Terms for Uncertificated Registered Securities: version number [●] dated [●] relating to the Programme.]

GENERAL PROVISIONS APPLICABLE TO THE ETC SECURITIES

- 25 Form of ETC Securities: [Bearer Securities: Applicable
[NGN form: Applicable]/[CGN form: Applicable]
Global Security which is exchangeable for Definitive Security in the limited circumstances specified in the Global Security.] /
[Uncertificated Registered Securities: Applicable]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of ETC Securities described herein pursuant to the Secured ETC Precious Metal Linked Securities Programme.]

Signed on behalf of the Issuer:

By:.....

Duly authorised

Part B – Other Information

1 LISTING

- (i) Listing and admission to trading: [Application has been made for the ETC Securities to be admitted to the [official list of the London Stock Exchange][and/or Euronext Paris][and/or Euronext Amsterdam][and/or Frankfurt Stock Exchange][and/or Luxembourg Stock Exchange][and/or Bolsa de Madrid][and/or Borsa Italiana][and/or OMX Nordic Exchange][and/or SIX Swiss Exchange] and for the ETC Securities to be admitted to trading on the regulated market(s) and/or other main market(s) thereof.] / [Not Applicable]
- (ii) Relevant Stock Exchange(s): [[London Stock Exchange][,]][and/or Euronext Paris][and/or Euronext Amsterdam][and/or Frankfurt Stock Exchange][and/or Luxembourg Stock Exchange][and/or Bolsa de Madrid][and/or Borsa Italiana][and/or OMX Nordic Exchange][and/or SIX Swiss Exchange].] / [Not Applicable]
- (iii) Estimate of total net proceeds of the issue: [•]
- (iv) Estimate of the total expenses of the issue: [GBP 5,000][•]
- (v) Estimate of total expenses related to admission to trading: [GBP 2,000][•]

2 RATINGS:

- Ratings: [Not Applicable]
[The ETC Securities to be issued [have been]/[are expected to be] rated [[•] by S&P][[•] by Moody's][[•] by Fitch].]

3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save as discussed in “*Subscription and Sale*”, so far as the Issuer is aware, no person involved in the offer of the ETC Securities has an interest material to the offer.] / [•]

4 REASONS FOR THE OFFER

- Reasons for the offer: [See section headed “*Use of Proceeds*” in the Base Prospectus.]/[•]

5 OPERATIONAL INFORMATION

- ISIN: [•]
- Common Code: [•]
- SEDOL: [•]/[Not Applicable]
- WKN: [•]/[Not Applicable]
- Relevant Clearing System: [CREST][Euroclear][Clearstream, Frankfurt][Clearstream, Luxembourg][•]
- Delivery: Delivery [against]/[free of] payment
- Intended to be held in a manner which would allow Eurosystem [Yes][No]

eligibility:

6 TERMS AND CONDITIONS OF THE OFFER

Offer Price:	[Issue Price]/[●]
Conditions to which the offer is subject:	[Not Applicable]/[●]
Description of the time period, including any possible amendments during which the offer will be open and a description of the application process:	[Not Applicable]/[●]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable]/[●]
Details of the minimum and/or maximum amount of application:	[Not Applicable]/[●]
Details of the method and time limits for paying up and delivering the ETC Securities:	[Not Applicable]/[●]
Manner in and date on which results of the offer are to be made public:	[Not Applicable]/[●]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable]/[●]
Tranche(s) which has/have been reserved for certain countries:	[Not Applicable]/[●]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable]/[●]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable]/[●]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	[None]/[●]

Annex – Issue Specific Summary

[Issue specific summary to be inserted]

GENERAL INFORMATION

- 1 The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Jersey at the date of the Base Prospectus in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors of the Issuer passed on 26 May 2010.
- 2 There has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case, since 31 December 2013.
- 3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the 12 months preceding the date of the Base Prospectus, which may have, or have had in the recent past, significant effects on the Issuer's financial position or profitability.
- 4 Each Bearer Security will bear the following legend: "Any United States person who 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".
- 5 The ETC Securities represent indebtedness of the Issuer. ETC Securities may be accepted for clearance through any Clearing System including CREST, Euroclear and Clearstream, Luxembourg and Clearstream Banking, Frankfurt (which are the entities in charge of keeping the records). ETC Securities will be cleared through the Relevant Clearing System in whole numbers of ETC Securities only (for these purposes an ETC Security may be referred to as a unit by the relevant Clearing System).

The Common Code and the International Securities Identification Number (ISIN) and (where applicable) the CUSIP and CINS number and PORTAL system and identification number for each Series of ETC Securities will be set out in the relevant Final Terms.

The address for CREST is Euroclear UK and Ireland Limited, 33 Cannon Street, London, EC4M 5SB.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

The address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.

The address of Clearstream Banking, Frankfurt is Mergenthalerallee 61, 65760 Eschborn, Germany.

The address for SIX SIS AG is Brandschenkestrasse 47, CH-8022 Zurich.

The address of any other Clearing System that is a Relevant Clearing System for a Series of ETC Securities will be specified in the relevant Final Terms.

- 6 The Initial Metal Entitlement per Security of, and the number of ETC Securities comprising, each Tranche of ETC Securities will be determined before filing of the relevant Final Terms. Save as otherwise provided in Condition 9(e) the Issuer will provide post-issuance information in relation to the Metal Entitlement per ETC Security and the Value per ETC Security of the ETC Securities in respect of each Scheduled Valuation Day by no later than 16:00 London time on the immediately following Scheduled Valuation Day on the website maintained on behalf of the Issuer at www.etc.db.com (or such other website as may be notified to Securityholders in accordance with Condition 19).
- 7 For so long as ETC Securities may be issued pursuant to the Base Prospectus (in respect of paragraphs 7.1 to 7.12) and for so long as any listed ETC Securities remain outstanding, the current version of each of the documents specified below (together with all earlier versions of such documents to the extent that there are ETC Securities of any Series outstanding in respect of which the version in question of such document is still relevant) will be available in physical format, during usual business hours on any

weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and at the specified office of the Issuing and Paying Agent:

- 7.1 the Master Terms and Conditions;
 - 7.2 the Master Trust Terms for Bearer Securities (which include the forms of the Global Securities and the Definitive Securities);
 - 7.3 the Master Trust Terms for Uncertificated Registered Securities;
 - 7.4 the Master Security Terms;
 - 7.5 the Master Agency Terms;
 - 7.6 the Master Agency Terms for Uncertificated Registered Securities;
 - 7.7 the Master Custody Terms for Secured Accounts;
 - 7.8 the Master Custody Terms for the Subscription Account;
 - 7.9 the Master Determination Agent Terms;
 - 7.10 the Master Balancing Terms;
 - 7.11 the Master Authorised Participant Terms;
 - 7.12 the Master Metal Agent Terms;
 - 7.13 the Memorandum and Articles of Association of the Issuer;
 - 7.14 the Declaration of Charitable Trust;
 - 7.15 a copy of this Base Prospectus together with any supplement hereto;
 - 7.16 the Report and Financial Statements of the Issuer for the Report and Financial Statements of the Issuer for the period from the Report and Financial Statements of the Issuer for the period from 1 January 2012 to 31 December 2012 and the Report and Financial Statements of the Issuer for the period 1 January 2013 to 31 December 2013;
 - 7.17 each Issue Deed;
 - 7.18 each set of Final Terms; and
 - 7.19 such other documents (if any) as may be required by the rules of any Relevant Stock Exchange.
- 8** The Issuer has prepared audited financial statements for the period from 1 January 2012 to 31 December 2012 and 1 January 2013 to 31 December 2013. Such financial statements are incorporated by reference into and shall form part of this Base Prospectus.
- 9** Where the Final Terms indicate that a Series of ETC Securities is “Intended to be held in a manner which would allow Eurosystem eligibility”, such designation simply means that the ETC Securities are intended upon issue to be deposited with one of the ICDSs as common safekeeper and does not necessarily mean that the ETC Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied of Eurosystem eligibility.
- 10** Being a physical commodity, the Metal does not have an expiry or maturity date.

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REGISTERED OFFICE OF THE ISSUER

St. Paul's Gate
New Street
St. Helier
Jersey JE4 8ZB
Channel Islands

TRUSTEE

Deutsche Trustee Company Limited

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

DETERMINATION AGENT

Deutsche International Corporate Services (Ireland) Limited

5, Harbourmaster Place
International Financial Services Centre
Dublin 1 Ireland

ISSUING AND PAYING AGENT

Deutsche Bank AG

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

METAL AGENT

Deutsche Bank AG

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**ARRANGER, PROGRAMME COUNTERPARTY AND LEAD
AUTHORISED PARTICIPANT**

Deutsche Bank AG

Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

**REGISTRAR
(for Uncertificated Registered Securities)**

Computershare Investor Services (Jersey) Limited

Queensway House
Hilgrove Street
St Helier
Jersey JE1 1ES