

DATED: 23 JUNE 2014

(1) ETFS COMMODITY SECURITIES LIMITED

(2) THE LAW DEBENTURE TRUST CORPORATION P.L.C.

TENTH SUPPLEMENTAL TRUST INSTRUMENT

modifying the provisions of the

**TRUST INSTRUMENT DATED 8 FEBRUARY 2008
(AS AMENDED)**

constituting

**SHORT AND LEVERAGED COMMODITY
SECURITIES**

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LLP

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THIS SUPPLEMENTAL TRUST INSTRUMENT is made this 23rd day of June 2014

BETWEEN:

- (1) **ETFS COMMODITY SECURITIES LIMITED**, a company incorporated under the laws of Jersey with registered number 90959, whose registered office is at Ordnance House, 31 Pier Road, St Helier, Jersey, Channel Islands, JE4 8PW (the “**Issuer**”); and
- (2) **THE LAW DEBENTURE TRUST CORPORATION p.l.c.**, a company incorporated under the laws of England with registered number 1675231, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (the “**Trustee**”), which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Security Holders,

each being a “party” and together the “parties”.

WHEREAS:

- (A) The Issuer and the Trustee have entered into a trust instrument dated 8 February 2008 (the “**Principal Trust Instrument**”) as amended by a first Supplemental Trust Instrument dated 8 October 2008, a second Supplemental Trust Instrument dated 11 December 2008, a third Supplemental Trust Instrument dated 29 June 2009, a fourth supplemental trust instrument dated 7 August 2009, a fifth Supplemental Trust Instrument dated 13 January 2010, a sixth Supplemental Trust Instrument dated 14 March 2011, a seventh Supplemental Trust Instrument dated 22 December 2011, an eighth Supplemental Trust Instrument dated 26 January 2012 and a ninth Supplemental Trust Instrument dated 14 December 2012, each between the same parties (the Principal Trust Instrument as so amended the “**Trust Instrument**”).
- (B) Bloomberg L.P. and UBS announced on 10 April 2014 that as of 1 July 2014 Bloomberg Indexes will be responsible for governance, calculation, distribution and publication of the Index family then known as the Dow Jones-UBS Commodity Index, and that the same will be renamed as of that date to the Bloomberg Commodity Index, and subindexes renamed accordingly.
- (C) It was announced in December 2013 that the standard settlement cycle for the UK capital markets would be shortened from T+3 to T+2 on 6 October 2014, while the Creation Procedures and Cancellation Procedures are designed to meet the requirements of a T+3 standard settlement cycle.
- (D) Pursuant to Clause 32.2(b) of the Principal Trust Instrument, and Condition 28.2(b) of the Conditions, the Issuer may (with the consent of the Trustee) amend the Trust Instrument if, in the opinion of the Issuer and the Trustee, the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders.
- (E) Pursuant to the Issuer’s powers referred to in Recital (D) the Issuer has determined to amend the Trust Instrument in order to make changes which are not materially prejudicial to the rights of Security Holders and the Trustee has given its consent to the same, in each case in the manner hereinafter appearing.
- (F) The Trustee and the Issuer are of the opinion that the changes effected by this Supplemental Trust Instrument are necessary or desirable and are not materially prejudicial to the rights of Security Holders.

- (G) The Issuer and the Trustee intend that this Supplemental Trust Instrument shall constitute a written amendment of the terms of the Trust Instrument and the written consent of the Trustee to such amendments.

NOW THIS SUPPLEMENTAL TRUST INSTRUMENT WITNESSES and it is hereby agreed and declared as follows:

1. DEFINITIONS

1.1 All words and expressions defined in the Trust Instrument shall unless otherwise stated have the same meanings in this Supplemental Trust Instrument.

1.2 In this Supplemental Trust Instrument, the following expressions shall have the following meanings:

Effective Date means the date determined in accordance with Clause 3.1; and

Existing Securities means the Short Individual Securities, the Short Index Securities, the Leveraged Individual Securities and the Leveraged Index Securities created pursuant to and constituted by the Principal Trust Instrument.

2. AMENDMENTS TO THE TRUST INSTRUMENT

2.1 Pursuant to Clause 32.2(b) of the Principal Trust Instrument, the provisions of the Trust Instrument are hereby amended as follows with effect from the Effective Date (as defined in Clause 3.1):

2.1.1 Bloomberg L.P. and UBS having announced on 10 April 2014 that as of 1 July 2014 Bloomberg Indexes will be responsible for governance, calculation, distribution and publication of the index family then known as the Dow Jones-UBS Commodity Index, and that the same will be renamed as of that date to the Bloomberg Commodity Index, references in the Trust Instrument to the Dow Jones-UBS Commodity Index and subindexes shall be construed accordingly. Accordingly the contents of the Sixth Schedule to the Trust Instrument shall be deleted and replaced by the contents of Schedule 2 to this Supplemental Trust Instrument.

2.1.2 The names of the Short Index Securities (as defined in the Trust Instrument) shall be changed as follows:

Existing Name of Short Index Security New Name of Short Index Security

ETFS Daily Short Agriculture DJ-UBSCISM ETFS Daily Short Agriculture

ETFS Daily Short All Commodities DJ-UBSCISM ETFS Daily Short All Commodities

ETFS Daily Short Energy DJ-UBSCISM ETFS Daily Short Energy

ETFS Daily Short Ex-Energy DJ-UBSCISM ETFS Daily Short Ex-Energy

ETFS Daily Short Grains DJ- ETFS Daily Short Grains

UBSCI SM	
ETFS Daily Short Industrial Metals DJ-UBSCI SM	ETFS Daily Short Industrial Metals
ETFS Daily Short Livestock DJ-UBSCI SM	ETFS Daily Short Livestock
ETFS Daily Short Petroleum DJ-UBSCI SM	ETFS Daily Short Petroleum
ETFS Daily Short Precious Metals DJ-UBSCI SM	ETFS Daily Short Precious Metals
ETFS Daily Short Softs DJ-UBSCI SM	ETFS Daily Short Softs

and all references thereto in the Trust Instrument (including the Conditions) shall be amended accordingly.

2.1.3 The names of the Leveraged Index Securities (as defined in the Trust Instrument) shall be changed as follows:

<i>Existing Name of Leveraged Index Security</i>	<i>New Name of Leveraged Index Security</i>
ETFS Daily Leveraged Agriculture DJ-UBSCI SM	ETFS Daily Leveraged Agriculture
ETFS Daily Leveraged All Commodities DJ-UBSCI SM	ETFS Daily Leveraged All Commodities
ETFS Daily Leveraged Energy DJ-UBSCI SM	ETFS Daily Leveraged Energy
ETFS Daily Leveraged Ex-Energy DJ-UBSCI SM	ETFS Daily Leveraged Ex-Energy
ETFS Daily Leveraged Grains DJ-UBSCI SM	ETFS Daily Leveraged Grains
ETFS Daily Leveraged Industrial Metals DJ-UBSCI SM	ETFS Daily Leveraged Industrial Metals
ETFS Daily Leveraged Livestock DJ-UBSCI SM	ETFS Daily Leveraged Livestock
ETFS Daily Leveraged Petroleum DJ-UBSCI SM	ETFS Daily Leveraged Petroleum
ETFS Daily Leveraged Precious Metals DJ-UBSCI SM	ETFS Daily Leveraged Precious Metals

and all references thereto in the Trust Instrument (including the Conditions) shall be amended accordingly.

2.2 In accordance with Clause 32.2 of the Principal Trust Instrument, each of the Issuer and the Trustee confirms that it is of the opinion that the amendments to the Trust Instrument made herein are necessary or desirable and are not materially prejudicial to the rights of Security Holders.

3. AMENDMENTS TO THE CONDITIONS

- 3.1 With effect from the date (the “**Effective Date**”) being 1 July 2014, save that if another date, not being less than 5 days from the date of the notice referred to in Clause 4 is specified as such in or determined as such in accordance with such notice, in which case the Effective Date shall be such other date, the Conditions set out in **Error! Reference source not found.** to this Supplemental Trust Instrument shall apply to the Short and Leveraged Commodity Securities to the exclusion of the conditions set out in the Schedule to the Principal Trust Instrument and accordingly with effect from the Effective Date the Short and Leveraged Commodity Securities shall be held subject to, and with the benefit of, the Conditions set out in **Error! Reference source not found.** to this Supplemental Trust Instrument, all of which shall be binding on the Issuer and the Security Holders of the Short and Leveraged Commodity Securities and all persons claiming through or under them respectively.
- 3.2 In accordance with Clause 32.2 of the Principal Trust Instrument, each of the Issuer and the Trustee confirms that it is of the opinion that the amendments to the Conditions made herein are necessary or desirable and are not materially prejudicial to the rights of Security Holders.
- 3.3 The Issuer hereby covenants promptly after the execution hereof to give notice of the amendments to the Conditions provided for in Clause 3.1 to the Security Holders. Such notice will be given by way of a RIS announcement.

4. PUBLICATION OF NOTICE

The Issuer hereby agrees that it will notify the Security Holders by an RIS announcement as soon as practicable after the execution of this Supplemental Trust Instrument of the amendments to the Trust Instrument and the Conditions set out herein. Such notice shall be given as provided for in Clause 3.3.

5. WAIVER

In accordance with Clause 25 of the Principal Trust Instrument and in relation to the amendments made herein the Trustee hereby agrees for the purposes of Clause 5.2 of the Principal Trust Instrument and Conditions 27 and 28.7 that the amendments made herein shall come into effect on the Effective Date notwithstanding that such date may be less than 30 calendar days from the date of the notice provided for in Clause 4.

6. GOVERNING LAW AND SUBMISSION TO JURISDICTION

This Supplemental Trust Instrument shall be governed by and construed in accordance with the laws of Jersey. Each of the parties hereby submits to the non-exclusive jurisdiction of Jersey in respect of any dispute arising out of or in connection with this Supplemental Trust Instrument, including any question regarding its existence, validity or termination, or the legal relationships established by this Supplemental Trust Instrument. Clause 33.2 of the Principal Trust Instrument shall apply to this Supplemental Trust Instrument as it does to the Principal Trust Instrument.

7. CONSTRUCTION

- 7.1 The Trust Instrument shall henceforth be read and construed in conjunction with this Supplemental Trust Instrument.
- 7.2 A memorandum of this Supplemental Trust Instrument shall be endorsed by the Trustee on the Principal Trust Instrument and by the Issuer on the duplicate thereof.

SCHEDULE 1

THE CONDITIONS

ETFS Commodity Securities Limited

ETFS Short and Leveraged Commodity Securities

The Conditions

The Short and Leveraged Commodity Securities are undated, limited recourse, secured debt securities of ETFS Commodity Securities Limited and are constituted by, are issued subject to and have the benefit of, a trust instrument dated 8 February 2008 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of Short and Leveraged Commodity Securities as amended by a supplemental trust instrument dated 8 October 2008, a second supplemental trust instrument dated 11 December 2008, a third supplemental trust instrument dated 29 June 2009, a fourth supplemental trust instrument dated 7 August 2009, a fifth supplemental trust instrument dated 13 January 2010, a sixth supplemental trust instrument dated 14 March 2011, a seventh supplemental trust instrument dated 22 December 2011, an eighth supplemental trust instrument dated 26 January 2012, a ninth supplemental trust instrument dated 14 December 2012 and a tenth supplemental trust instrument dated _____ 2014, governed by Jersey law.

The Security Holders (as defined below) are entitled to the benefit of, are bound by and are deemed to have notice of, all the provisions of the Trust Instrument and the Security Deeds (each as defined below) and the Conditions set out below.

1. DEFINED TERMS AND INTERPRETATION

1.1 In these Conditions, the following words and expressions have the following meanings:

Acceptable Credit Rating means a long term senior debt credit rating of at least BBB+ from Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa1 from Moody's Investors Service Inc. (or any successor to the ratings business thereof);

Affiliate means, in relation to any person, any entity controlled, directly or indirectly, by that person, any entity that controls, directly or indirectly, that person, or any entity directly or indirectly under common control with that person; and for this purpose, **control** of any entity or person means ownership of a majority of the voting power of the entity or person;

Agreed Pricing has the meaning given in Condition 7.1(b);

Agreed Redemption Form means a notice in the form prescribed from time to time by the Issuer requesting Redemption of Short and Leveraged Commodity Securities using Agreed Pricing;

Applicable Date means the date of the tenth supplemental trust instrument between the Issuer and the Trustee expressed to be supplemental to the Trust Instrument;

Authorised Participant means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Short and Leveraged Commodity Securities and (except in the case of a Commodity Contract Counterparty which has entered into an Authorised Participant Agreement with the Issuer) has entered into a corresponding Direct Agreement with at least one Commodity Contract Counterparty, and which is not an Unacceptable Authorised Participant in respect of that Commodity Contract Counterparty, *provided that* no person shall be an Authorised Participant in respect of a Commodity

Contract Counterparty unless and until the Security Conditions (if any) with respect to the Authorised Participant and that Commodity Contract Counterparty shall have been satisfied and *provided further that* a person can be an Authorised Participant in respect of one Commodity Contract Counterparty but not another;

Authorised Participant Agreement means a written agreement between the Issuer and another person under which such person is appointed to act as an “Authorised Participant”, distribution agent or in a substantially similar function in relation to Short and Leveraged Commodity Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied;

Bloomberg means Bloomberg L.P. and/or Bloomberg Finance L.P. and/or the Affiliate of either of them;

Bloomberg Commodity IndexSM means the index family known as the Bloomberg Commodity IndexSM calculated and published by Bloomberg, formerly known as the Dow Jones – UBS Commodity IndexSM;

Business Day means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in both London and New York;

Calculation Agent means the person from time to time appointed by the Issuer and each Commodity Contract Counterparty for the purposes referred to in Condition 14;

Capital Adjustment means an adjustment factor to be included in the calculation of the Price which is agreed from time to time by a Commodity Contract Counterparty and the Issuer;

Certificated or **Certificated Form** means not in Uncertificated Form;

CIP means “Commodity Index Percentage” as defined in the Handbook from time to time;

class means a class of Short Commodity Securities or Leveraged Commodity Securities under which the Issuer’s obligations to make payment, and the corresponding class of Commodity Contracts under which any Commodity Contract Counterparty’s obligations to make payment, are determined by reference to a particular Commodity Index;

Classic and Longer Dated Facility Agreements means the agreements entitled “Facility Agreement relating to Classic and Longer Dated Commodity Contracts” between the Issuer and different persons defined for the purposes of the Classic and Longer Dated Trust Instrument as Commodity Contract Counterparties providing for the creation and termination of Commodity Contracts (as defined for the purposes of the Classic and Longer Dated Trust Instrument), including such an agreement between the Issuer and UBS dated 5 August 2009 (the **UBS Classic and Longer Dated Facility Agreement**) and such an agreement between the Issuer and MLCI dated 14 March 2011 (the **MLCI Classic and Longer Dated Facility Agreement**);

Classic and Longer Dated Securities means the securities of the Issuer known as Classic and Longer Dated Securities constituted by the Classic and Longer Dated Trust Instrument as more fully described in the prospectus of the Issuer dated on or about the Applicable Date;

Classic and Longer Dated Trust Instrument means the trust instrument between the Issuer and the Trustee dated 21 September 2006 as amended as at the date of the Trust Instrument and as may be amended further from time to time;

Collateral means all Posted Collateral as defined in any Security Agreement to the extent attributable to the obligations of a Commodity Contract Counterparty under a Facility Agreement;

Commodity Contract means in relation to Short or Leveraged Commodity Securities of a particular class, a contract between the Issuer and a Commodity Contract Counterparty created in accordance with a Facility Agreement and giving rise to matching rights and obligations to such Short or Leveraged Commodity Securities;

Commodity Contract Counterparty means the counterparty to each Facility Agreement with the Issuer, and for so long as the UBS Facility Agreement remains in force includes UBS and for so long as the MLCI Facility Agreement remains in force includes MLCI;

Commodity Contract Termination means the termination of Commodity Contracts by a Commodity Contract Counterparty in accordance with a Facility Agreement;

Commodity Index means an Individual Commodity Index or a Composite Commodity Index, as appropriate, and “**Commodity Indices**” means all of them and in relation to a class of Short or Leveraged Commodity Securities (and the corresponding class of Commodity Contracts) means the Commodity Index specified in relation to such class in the Sixth Schedule (*Classes of Short and Leveraged Commodity Securities*) to the Trust Instrument;

Composite Commodity Index means an index for a group of commodities (which may change from time to time with respect to such index), as calculated and published by Bloomberg from time to time;

Compulsory Daily Pricing Number means, in respect of a Compulsory Redemption and a class of Short or Leveraged Commodity Securities, the number of outstanding Short or Leveraged Commodity Securities of the relevant class which, in relation to each Pricing Day on which Short and Leveraged Commodity Securities of that class are required to be priced under the relevant Facility Agreement, shall be:

- (a) if the Compulsory Redemption Number is not more than the Redemption Limit (in each case for the class), the Compulsory Redemption Number;
- (b) if the Compulsory Redemption Number is equal to or more than five times the Redemption Limit, 20 per cent. of the Compulsory Redemption Number; and
- (c) otherwise, the amount shall be the Redemption Limit on the first and on each consecutive Pricing Day thereafter except on the last Pricing Day when the amount shall be the Compulsory Redemption Number minus the sum of the Compulsory Number Priced on each preceding Pricing Day for that class in relation to that Compulsory Redemption;

Compulsory Number Priced means in respect of a Pricing Day and a class of Short or Leveraged Commodity Securities, the Compulsory Daily Pricing Number; provided that where the Compulsory Redemption Date is notified in accordance with Condition 8.6 the Compulsory Number Priced in respect of a class of Short or Leveraged Commodity Securities for any Pricing Day shall be reduced by the number of Short or Leveraged Commodity Securities of that class which are subject to a Redemption Form submitted in respect of that Pricing Day and, if such reduction would result in a negative number, that negative number shall be carried forward and applied to reduce the Compulsory Number Priced for the next following Pricing Day and any negative number on the last Pricing Day will be ignored;

Compulsory Redemption means a Redemption of Short or Leveraged Commodity Securities in accordance with Condition 8.13;

Compulsory Redemption Date means a date notified in accordance with Conditions 8.1, 8.2, 8.5, 8.6, 8.7, 8.8 or 8.9;

Compulsory Redemption Number means in respect of a Compulsory Redemption Date and a class of Short or Leveraged Commodity Securities, where such Compulsory Redemption Date is notified in accordance with:

- (a) Conditions 8.1, 8.2, 8.7 or 8.8, the total number of Short or Leveraged Commodity Securities of that class outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date;
- (b) Condition 8.5, provided that the Commodity Index relates to that class, the total number of Short or Leveraged Commodity Securities of that class outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date;
- (c) Condition 8.6, the number of that class of outstanding Short or Leveraged Commodity Securities in respect of which notice was given by the Issuer in accordance with Condition 8.6 (unless Condition 7.18(d) applies, in which case it means all the Short or Leveraged Commodity Securities of that class outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date); and
- (d) Condition 8.9, the number of Short or Leveraged Commodity Securities of that class in respect of which notice was given by the Issuer in accordance with Condition 8.9 with respect to the Security Holder in question;

Conditions means these terms and conditions on and subject to which Short and Leveraged Commodity Securities are issued;

Control Agreement means in relation to any Security Agreement the Control Agreement as defined in such Security Agreement;

Controller means, in relation to any company, a person who:

- (a) holds 10 per cent. or more of the shares in such company;
- (b) is able to exercise significant influence over the management of such company by virtue of his shareholdings in such company;
- (c) holds 10 per cent. or more of the shares in a parent undertaking of such company;
- (d) is able to exercise significant influence over the management of the parent undertaking of such company;
- (e) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in such company;
- (f) is able to exercise significant influence over the management of such company by virtue of his voting power in such company;
- (g) is entitled to exercise, or control the exercise of, 10 per cent. or more of the voting power in the parent undertaking of such company; or
- (h) is able to exercise significant influence over the management of the parent undertaking of such company by virtue of his voting rights;

Counterparty Event of Default means:

- (a) the failure of any Commodity Contract Counterparty to make a payment it is due to make in respect of a Commodity Contract Termination in accordance with the relevant Facility Agreement, where such failure is not rectified within five Business Days following the day on which the Commodity Contract Counterparty receives notice of the failure sent by the Issuer, or being in any other breach of the Facility Agreement provided that such breach (if capable of being rectified) is not rectified within (5) five Business Days of the Commodity Contract Counterparty receiving written notice from the Issuer of such breach;
- (b) any Guarantor failing to pay an amount due under the relevant Guarantee, when due;
- (c) any Commodity Contract Counterparty or Guarantor suffering an Insolvency Event; or
- (d) the expiration or termination of any Guarantee (other than where a replacement guarantee (or other form of credit support) acceptable to the Issuer and the Trustee in their sole discretion is provided to the Issuer in lieu of a Guarantee upon or prior to such expiration or termination) or the failing or ceasing of a Guarantee to be in full force and effect for the purpose of the relevant Facility Agreement, in each case other than in accordance with its terms, prior to the satisfaction of all obligations of a Commodity Contract Counterparty under the Facility Agreement to which such Guarantee relates and without the written consent of the Issuer (and this paragraph (d) shall apply *mutatis mutandis* to any replacement guarantee (or other form of credit support));
- (e) in the case of a Commodity Contract Counterparty that is a party with the Issuer to a Classic and Longer Dated Facility Agreement, a Counterparty Default (as defined in such Classic and Longer Dated Facility Agreement) shall have occurred under such Classic and Longer Dated Facility Agreement; or
- (f) in the case of a Commodity Contract Counterparty that is a party with the Issuer to a Security Agreement, the occurrence of any Security Agreement Event falling within the definition of Counterparty Default in the relevant Facility Agreement;

CREST means the system of paperless settlement of transfers and the holding of securities in Uncertificated Form administered by Euroclear UK & Ireland Limited;

Default Rate means a rate per annum of interest equal to LIBOR plus 2 per cent., compounding daily;

Defaulted Obligation means the failure of the Issuer to make or procure any payment in respect of the Redemption of any Short or Leveraged Commodity Securities when due, and such failure is not remedied within 48 hours of receipt of notice requiring remedy of the same provided that if the amount paid by a Commodity Contract Counterparty under the terms of a Facility Agreement in respect of a Commodity Contract Termination as a result of such Redemption is subject to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect, and that Commodity Contract Counterparty is not obliged under that Facility Agreement to make any additional payment in respect of the withholding or deduction and the net amount is so paid or procured to be paid by the Issuer in respect of that Redemption, that shall not be a Defaulted Obligation;

Direct Agreement means an agreement entered into between a Commodity Contract Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant;

ETFS Short and Leveraged Commodity Securities and **Short and Leveraged Commodity Securities** means Short Commodity Securities and Leveraged Commodity Securities and **ETFS Short or Leveraged Commodity Securities** or **Short or Leveraged Commodity Securities** means any of them;

Extraordinary Resolution means in respect of one or more classes of Short or Leveraged Commodity Securities either (a) a resolution passed at a meeting of the holders of the Short or Leveraged Commodity Securities of such class or classes duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of the Short or Leveraged Commodity Securities of such class or classes voting on such poll or (b) a resolution in writing of holders of the Short or Leveraged Commodity Securities of such class or classes holding not less than 75 per cent. by Principal Amount of the Short or Leveraged Commodity Securities of such class or classes;

Facility Agreements means the agreements entitled “Facility Agreement relating to Short and Leveraged Commodity Contracts” between the Issuer and different Commodity Contract Counterparties providing for the creation and termination of Commodity Contracts thereunder, including such an agreement between the Issuer and UBS dated 5 August 2009 (the **UBS Facility Agreement**) and such an agreement between the Issuer and MLCI dated 14 March 2011 (the **MLCI Facility Agreement**);

FCA means the Financial Conduct Authority of the United Kingdom;

FSMA means the Financial Services and Markets Act 2000;

Funding Rate means a rate per annum of interest equal to LIBOR, compounding daily;

Further Securities means securities issued by the Issuer in accordance with Condition 18.1;

General Notice means any notice given in accordance with these Conditions other than a Pricing Notice;

General Trading Day means a “Business Day” as defined in the Handbook from time to time (and meaning as at the date of the Trust Instrument “any day on which the sum of the CIPs for those Index Commodities that are open for trading is greater than 50 per cent.” where “Index Commodities” has the meaning given to it in the Handbook);

Guarantee means in respect of any Commodity Contract Counterparty, any guarantee or other credit support agreement provided by a guarantor or other credit support provider in respect of such Commodity Contract Counterparty’s obligations under the relevant Facility Agreement insofar as it relates to the relevant Pool;

Guarantor means in respect of any Commodity Contract Counterparty, any guarantor or other credit support provider who has entered into a Guarantee in respect of such Commodity Contract Counterparty’s obligations under the relevant Facility Agreement insofar as it relates to the relevant Pool;

Handbook means the document called “Index Methodology – The Bloomberg Commodity Index Family” which sets out the methodology for calculation of the Bloomberg Commodity IndexSM prepared and as amended from time to time by Bloomberg, a copy of which, as at the

Applicable Date, can be obtained from the following address:
<http://www.bloombergindexes.com/>;

Hedging Disruption Event means an event, circumstance or cause that a Commodity Contract Counterparty reasonably and in good faith determines has had or would reasonably be expected to have a materially adverse effect on that Commodity Contract Counterparty's ability to hedge its positions in connection with the relevant Facility Agreement or Commodity Contracts of the relevant class, including, without limitation, any limitation or prohibition associated with acquiring, establishing, re-establishing, substituting, maintaining, unwinding or disposing of any hedging transaction in connection with the relevant Facility Agreement or such Commodity Contracts, in each case whether due to market illiquidity, position limits in respect of any futures contract, illegality, the adoption of or change in any law or other regulatory instrument, lack of availability of hedging transaction market participants or the occurrence or existence of any other circumstance or event;

Indicative Price means, in respect of a particular class of Short or Leveraged Index Security on a calendar day, the value calculated in accordance with Condition 5.5;

Individual Commodity Index means an index for an individual commodity (as adjusted through the addition or removal of other Individual Commodity Indices) as calculated and published by Bloomberg from time to time;

Insolvency Event means, in relation to a person other than the Issuer, such person (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 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) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts;

Intra-day Price means at any time between 8.00 a.m. and 2.30 p.m. New York Time on a Trading Day in respect of a Commodity Contract, the Price, calculated in accordance with Condition 5, using as $I_{i,t}$ the most recent value of the relevant Commodity Index published as of such time by Bloomberg provided, that (i) if the Calculation Agent reasonably determines that such published value is incorrect, the Calculation Agent shall instead use a special value of the relevant Commodity Index calculated using the most recently reported prices for the futures contracts by reference to the Settlement Price for which that Commodity Index is calculated (in whole or in part), (ii) if the Calculation Agent determines that as the result of a material trading disruption or anomaly the value of any futures contract used in calculating such published value manifestly does not reflect a fair market value for that futures contract

having regard to the principles in the Facility Agreement described in Condition 14.3, the Calculation Agent shall instead determine fair market values for such futures contracts having regard to the principles in the Facility Agreement described in Condition 14.3 and calculate a special value of the relevant Commodity Index calculated using such fair market values and (iii) if the Calculation Agent reasonably determines that a Market Disruption Event has occurred with respect to any applicable futures contract, the Calculation Agent shall instead use a special value of the relevant Commodity Index calculated using the most recently reported prices for the relevant futures contracts, if any, that are not subject to a Market Disruption Event and using a fair market value determined in accordance with the principles set out in the Facility Agreement described in Condition 14.3 for the relevant commodity futures that are subject to a Market Disruption Event;

Investment Company Act means the Investment Company Act of 1940 of the U.S.;

Issuer means ETFS Commodity Securities Limited, a company incorporated and registered in Jersey with registered number 90959;

Issuer Business Day means a day which is both a General Trading Day and a London Business Day;

Issuer Insolvency Event means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer *en désastre* pursuant to the Bankruptcy (Désastre) (Jersey) Law 1990, as amended; (5) institutes or has instituted against it any other proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; *provided that* no action taken by the Trustee in respect of the Issuer shall constitute an Issuer Insolvency Event save where acts of the Trustee fall within one or more of clauses (1) to (9) and are taken in respect of security taken over Commodity Contracts, a Facility Agreement or a Guarantee;

Issuer's Website means the website having the following internet address: <http://www.etfsecurities.com/csl> or such other internet address as may be notified to Security Holders and the Trustee by RIS announcement;

Jersey means the Island of Jersey, Channel Islands;

Lead Future means (a) for an Individual Commodity Index and a Trading Day with respect thereto, the particular futures contract which is the “Lead Future” (as defined in the Handbook) for that Individual Commodity Index on that Trading Day and (b) for a commodity comprised in a Composite Commodity Index but which is not the subject of an Individual Commodity Index and a Trading Day with respect thereto, the particular futures contract which is the “Lead Future” (as defined in the Handbook) for that commodity in relation to that Composite Commodity Index on that Trading Day;

Leverage Factor means with respect to each class of Short and Leveraged Commodity Securities the number specified in Condition 5;

Leveraged Commodity Securities means Leveraged Index Securities and Leveraged Individual Securities;

Leveraged Index Security means a Short and Leveraged Commodity Security of a class specified as such in Part D of Schedule 6 (*Classes of Short and Leveraged Commodity Securities*) to the Trust Instrument constituted by the Trust Instrument and recorded on the relevant Register;

Leveraged Individual Security means a Short and Leveraged Commodity Security of a class specified as such in Part C of Schedule 6 (*Classes of Short and Leveraged Commodity Securities*) to the Trust Instrument constituted by the Trust Instrument and recorded on the relevant Register;

Liability means any loss, damage, cost, charge, claim, demand, expense, judgement, action, proceeding or other liability whatsoever (including, without limitation, in respect of Taxes) and including any VAT or similar Tax charged or chargeable in respect thereof and legal and professional fees and expenses on a full indemnity basis, and Liabilities shall be construed accordingly;

LIBOR means, in respect of any date of determination:

- (a) the rate for overnight deposits in U.S. Dollars which appears on the Reuters LIBOR01 page (or any successor page) as of 11:00 a.m. on the day that is two London Business Days preceding such date of determination; or
- (b) in the event of the unavailability of the Reuters LIBOR01 page (or any successor page), the rate for such determination date will be determined on the basis of the rates at which deposits in US Dollars are offered by four major banks in the London interbank market (“**Reference Banks**”) at approximately 11:00 a.m. on the day that is two London Business Days preceding the relevant determination date to prime banks in the London interbank market for overnight deposits commencing on that date and in an amount (a “**Representative Amount**”) that is representative for a single transaction in the relevant market at the relevant time. The Issuer will request the principal London office of each of the Reference Banks to provide a quotation of its rate. If at least two such quotations are provided, the rate for such date will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the rate for such determination date will be the arithmetic mean of the rates quoted by major banks in New York City, selected by the Issuer, at approximately 11:00 a.m., New York City time, on such determination date for loans in US Dollars to leading European banks for overnight deposits commencing on the determination date and in a Representative Amount;

Listing means the admission of a particular class of Short or Leveraged Commodity Securities to the Official List in accordance with the Listing Rules and admission of a particular class of Short or Leveraged Commodity Securities to trading on the London Stock

Exchange's market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market) becoming effective;

Listing Failure means the refusal of the UK Listing Authority to admit to the Official List any Short or Leveraged Commodity Securities issued or to be issued under the Programme;

Listing Failure Date means the day which was or would have been the date on which payment would have been made for Commodity Contracts pursuant to the terms of the relevant Facility Agreement corresponding to the Short or Leveraged Commodity Securities in respect of which a Listing Failure has occurred;

Listing Rules means the Listing Rules of the UK Listing Authority from time to time, made under section 73A of the FSMA;

London Business Day means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in London;

London Stock Exchange means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require;

Market Disruption Day means:

- (i) in respect of an Individual Commodity Index, a General Trading Day which is a Trading Day for that Individual Commodity Index on which a Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange for that Individual Commodity Index;
- (ii) in respect of a Composite Commodity Index, a General Trading Day which is a Trading Day in respect of each futures contract by reference to the Settlement Price for which that Composite Commodity Index is calculated (in whole or in part) but on which a Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange for any such futures contract;
- (iii) in respect of a futures contract the Settlement Price for which is included in the calculation of a Commodity Index, a General Trading Day which is a Trading Day for that futures contract and on which a Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange on which that futures contract is traded; or
- (iv) in respect of a commodity in connection with a Commodity Index (or class of Short or Leveraged Commodity Securities), a Market Disruption Day for a futures contract in respect of that commodity the Settlement Price for which is included in the calculation of that Commodity Index (or the Commodity Index relating to that class of Short or Leveraged Commodity Securities);

Market Disruption Event means:

- (a) in respect of a particular Individual Commodity Index, any of the following events:
 - (i) the Relevant Exchange fails to determine, announce or publish the relevant Settlement Price(s); or
 - (ii) the termination or suspension of, or material limitation or disruption in the trading of, any Lead Future or Next Future used in the calculation of an Individual Commodity Index; or

- (iii) the Settlement Price of the Lead Future or Next Future used in the calculation of the Individual Commodity Index reflects the maximum permitted price change (as set from time to time by the Relevant Exchange for that Lead Future or Next Future) from the previous day's Settlement Price; and
- (b) in respect of any Composite Commodity Index means any event described in paragraphs (a)(i), (ii) or (iii) of this definition in relation to any futures contract the Settlement Price for which is included in the calculation of that Composite Commodity Index (and, for such purposes, references in sub-paragraphs (a)(ii) and (iii) of this definition to "any Lead Future or Next Future used in the calculation of an Individual Commodity Index" shall be construed, in relation to a commodity comprised in a Composite Commodity Index, as references to the Lead Future or Next Future with respect to that commodity the Settlement Price of which is used in the calculation of that Composite Commodity Index); and
- (c) in respect of a commodity in connection with a Commodity Index (or a class of Short or Leveraged Commodity Securities), any event described in sub-paragraph (a)(i), (ii) or (iii) of this definition in relation to the futures contract in respect of that commodity the Settlement Price of which is included in the calculation of that Commodity Index (or the Commodity Index relating to that class of Short or Leveraged Commodity Securities) (and, for such purposes, references in sub-paragraphs (a)(ii) and (iii) of this definition to "any Lead Future or Next Future used in the calculation of an Individual Commodity Index" shall be construed, in relation to such commodity, as references to the Lead Future or Next Future with respect to that commodity used in the calculation of that Composite Commodity Index (or the Commodity Index relating to that class of Short or Leveraged Commodity Securities)),

in each case as determined by the Calculation Agent for the purposes of one or more Facility Agreements;

MLCI means Merrill Lynch Commodities, Inc., a corporation established under the laws of the State of Delaware, United States and whose principal place of business is at 20 East Greenway Plaza, Ste 700, Houston, Texas 77046, USA;

month means calendar month;

New York Business Day means a day (other than a Saturday or a Sunday) on which banks are open for the transaction of general business in New York;

Next Future means (a) for an Individual Commodity Index and a Trading Day with respect thereto, the particular futures contract which is the "Next Future" (as defined in the Handbook) for that Individual Commodity Index on that Trading Day and (b) for a commodity comprised in a Composite Commodity Index but which is not the subject of an Individual Commodity Index and a Trading Day with respect thereto, the particular futures contract which is the "Next Future" (as defined in the Handbook) for that commodity in relation to that Composite Commodity Index on that Trading Day;

Notice Deadline means, on a General Trading Day, the earlier of 2.30 p.m. or such other time determined by the Issuer as the Notice Deadline in respect of a particular General Trading Day or generally;

Official List means the official list maintained by the UK Listing Authority for the purpose of Part VI of FSMA;

outstanding means in relation to each class of Short or Leveraged Commodity Securities, all the Short or Leveraged Commodity Securities of that class issued and in respect of which there is for the time being an entry in the Register other than:

- (a) Short or Leveraged Commodity Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Short or Leveraged Commodity Securities which have been purchased and cancelled pursuant to the Trust Instrument;

provided that for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Short or Leveraged Commodity Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) a Commodity Contract Counterparty, (C) ETF Securities Limited or a Guarantor, (D) any subsidiary of the Issuer or of a Commodity Contract Counterparty, (E) any individual Controller of the Issuer or Guarantor or (F) any person controlled by any such persons listed in (A) to (E) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Short and Leveraged Commodity Securities shall be deemed not to be Security Holders;

Pool means a separate fund or pool to which Short or Leveraged Commodity Securities of a particular class are attributable;

Price means the price determined in accordance with Condition 5 and **Pricing** (other than when used in the terms Pricing Date and Pricing Day) shall be construed accordingly;

Pricing Date means:

- (a) in the case of an Agreed Redemption Form, the day upon which that form is deemed to have been received by the Issuer; or
- (b) in the case of a Settlement Redemption Form, the Pricing Day upon which the Redemption Amount is determined;

Pricing Day means:

- (a) for each class of Short or Leveraged Individual Securities, a General Trading Day which is a Trading Day for the Individual Commodity Index applicable to that class of Short or Leveraged Commodity Securities that is not a Market Disruption Day for that Individual Commodity Index (other than a Market Disruption Day for which a substitute value for that Individual Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements);
- (b) for each class of Short or Leveraged Index Securities, a General Trading Day which is a Trading Day for each of the futures contracts by reference to the Settlement Price for which the Composite Commodity Index relating to that class of Short or Leveraged Index Security is calculated (in whole or in part) that is not a Market Disruption Day for any such futures contracts (other than a Market Disruption Day for which a substitute value for that Composite Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements);
- (c) for each futures contract the Settlement Price for which is included in the calculation of a Commodity Index, a General Trading Day which is a Trading Day for that futures contract and which is not a Market Disruption Day for that futures contract; or
- (d) for each commodity in connection with a Commodity Index (or class of Short or Leveraged Commodity Securities), a General Trading Day which is a Trading Day

for the futures contract relating to that commodity the Settlement Price for which is included in the calculation of that Commodity Index (or that class of Short or Leveraged Commodity Securities) and which is not a Market Disruption Day for that futures contract;

Pricing Notice means a Redemption Form or a Withdrawal Notice;

Principal Amount means in respect of each Short or Leveraged Commodity Security the amount specified in clause 2 of the Trust Instrument;

Programme means the programme for the issue of Short and Leveraged Commodity Securities;

Prohibited Benefit Plan Investor means any “employee benefit plan” within the meaning of section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”), subject to Part 4. Subtitle B of Title I of ERISA, any “plan” to which section 4975 of the United States Internal Revenue Code of 1986, (the “Code”) applies (collectively, “Plans”), any entity whose underlying assets include “plan assets” of any of the foregoing Plans within the meaning of 29 C.F.R. Section 2510.3-101 or section 3(42) of ERISA, as they may be modified, by reason of a Plan’s investment in such entity, any governmental or church plan that is subject to any U.S. Federal, state or local law that is similar to the prohibited transaction provisions of ERISA or Section 4975 of the Code, or any person who holds Short and Leveraged Commodity Securities on behalf of, for the benefit of or with any assets of any such Plan or entity;

Prohibited US Person means a US Person who is not a Qualified Purchaser, or any person who holds Short or Leveraged Commodity Securities for the benefit of a US Person who is not a Qualified Purchaser;

properly authenticated dematerialised instruction shall bear the meaning given to it in the Regulations;

Property to be Assigned means with respect to each Authorised Participant Agreement and each Commodity Contract Counterparty:

- (a) all of the right, title, interest and benefit of the Issuer, existing now or in the future, in, to, under or in respect of the Authorised Participant Agreement as it applies as a separate agreement in relation to that Commodity Contract Counterparty in accordance with its terms; and
- (b) all other rights, moneys and property whatsoever which may from time to time at any time be derived from or accrue with respect to the Authorised Participant Agreement as it so applies including:
 - (i) all of the Issuer’s rights to receive payment of any amounts which may become payable to it pursuant to the Authorised Participant Agreement or with respect to such Authorised Participant Agreement as it so applies;
 - (ii) all amounts due, payable and properly received by the Issuer pursuant to the Authorised Participant Agreement;
 - (iii) all the Issuer’s rights to serve notices and/or make demands pursuant to such Authorised Participant Agreement as it so applies and/or to take such steps as are required to cause payments to become due and payable thereunder or with respect to such Authorised Participant Agreement as it so applies;

- (iv) all of the Issuer's rights of action in respect of any breach of such Authorised Participant Agreement as it so applies; and
- (v) all of the Issuer's rights to receive damages or obtain other relief in respect of such Authorised Participant Agreement as it so applies;

Qualified Purchaser means a "qualified purchaser" as defined under the Investment Company Act;

Redemption means the redemption of Short and Leveraged Commodity Securities by the Issuer in accordance with these Conditions (and **Redeem** shall be construed accordingly);

Redemption Account means a bank account to receive payments of the Redemption Amount in respect of the Redemption of Commodity Contracts (and matching Short and Leveraged Commodity Securities), which account shall be:

- (a) for an Authorised Participant, the bank account notified in writing by the Authorised Participant to the Issuer, each Commodity Contract Counterparty and the Trustee from time to time;
- (b) for a Compulsory Redemption or where there are no Authorised Participants, the bank account of the Issuer secured for the benefit of the Security Holders or of the Trustee for the benefit of such Security Holders; and
- (c) otherwise, the bank account specified in the Redemption Form;

Redemption Amount means the amount payable by the Issuer to the Security Holder upon the Redemption of Short and Leveraged Commodity Securities, as may be reduced for any withholdings or deductions for or on account of tax as set out in Condition 9.5;

Redemption Fee means the fee payable by a Security Holder upon Redemption of Short and Leveraged Commodity Securities in accordance with Condition 10;

Redemption Form means an Agreed Redemption Form or a Settlement Redemption Form in the form prescribed from time to time by the Issuer and in accordance with these Conditions, as the case may be;

Redemption Limits means the limits on Redemption set out in Condition 7.6;

Redemption Payment Date means:

- (a) in the case of a Redemption pursuant to a Settlement Redemption Form,
 - (i) in respect of which the Pricing Date of that Redemption is prior to the T+2 Implementation Date, the third London Business Day following such Pricing Date; and
 - (ii) in respect of which the Pricing Date of that Redemption is on or after the T+2 Implementation Date, the second London Business Day following such Pricing Date,

provided that in each case if either that day or the preceding London Business Day is not also a New York Business Day then the Redemption Payment Date shall be on the Business Day next following the day that would have been the Redemption Payment Date but for this proviso; or

- (b) in the case of a Redemption pursuant to an Agreed Redemption Form, the London Business Day specified for such payment in that form; *provided that* the date so

specified shall be not earlier than one London Business Day following the day upon which that form was deemed to have been received by the Issuer; or

- (c) in the case of a Redemption in accordance with a Listing Failure:
- (i) where the relevant Listing Failure Date is prior to the T+2 Implementation Date, the third London Business Day following such Listing Failure Date; and
 - (ii) where the relevant Listing Failure Date is on or after the T+2 Implementation Date, the second London Business Day following such Listing Failure Date,

provided that in each case if either that day or the preceding London Business Day is not also a New York Business Day then the Redemption Payment Date shall be on the Business Day next following the day that would have been the Redemption Payment Date but for this proviso, or such other Business Day as may be agreed by the relevant Commodity Contract Counterparty and the Authorised Participant who submitted the relevant Redemption Form; or

- (d) in the case of a Redemption following the nomination of a Compulsory Redemption Date:
- (i) where the last Pricing Day on which the Price of Short and Leveraged Commodity Securities being Redeemed is determined in accordance with these Conditions is prior to the T+2 Implementation Date, the London Business Day which is the third London Business Day following such last Pricing Day; and
 - (ii) where the last Pricing Day on which the Price of Short and Leveraged Commodity Securities being Redeemed is determined in accordance with these Conditions is on or after the T+2 Implementation Date, the London Business Day which is the second London Business Day following such last Pricing Day,

provided that in each case if either that day or the preceding London Business Day is not also a New York Business Day then the Redemption Payment Date shall be on the Business Day next following the day that would have been the Redemption Payment Date but for this proviso;

Registers means the registers of Security Holders of each class kept and maintained by the Registrar and “**Register**” shall be construed accordingly;

Registrar means Computershare Investor Services (Jersey) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers;

Regulations means the Companies (Uncertificated Securities) (Jersey) Order 1999 including any modifications thereto or any regulations in substitution therefor made and for the time being in force which, *inter alia*, enable title to Short and Leveraged Commodity Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument;

Relevant Exchange means:

- (a) for each Individual Commodity Index, the futures exchange on which is traded the futures contract by reference to the prices of which that Individual Commodity Index is calculated;

- (b) in relation to a commodity comprised in a Composite Commodity Index, the futures exchange on which is traded the futures contract for that commodity the Settlement Price of which is included in the calculation of that Composite Commodity Index; and
- (c) in relation to a futures contract the Settlement Price of which is included in the calculation of a Commodity Index, the futures exchange on which that futures contract is traded;

Relevant Market means (a) in respect of an Individual Commodity Index, the market conducted on the Relevant Exchange for the futures contracts by reference to which the Individual Commodity Index is calculated and (b) in relation to a commodity comprised in a Composite Commodity Index, the market conducted on the Relevant Exchange for the futures contract for that commodity the Settlement Price of which is included in the calculation of that Composite Commodity Index;

Required Security Document means, with respect to an Authorised Participant Agreement and a Commodity Contract Counterparty, each security that the relevant Commodity Contract Counterparty requires the Issuer to execute over the Property to be Assigned in favour of the relevant Commodity Contract Counterparty as security for the Secured Obligations (which may include, but shall not be limited to, a Security Assignment), having regard to the jurisdiction of incorporation of the Authorised Participant (or proposed Authorised Participant) or of the branch through which such person is acting for the purposes of such Authorised Participant Agreement (as the case may be);

RIS means a Regulatory Information Service (as defined for the purposes of the Listing Rules) from time to time chosen by the Issuer;

Secured Obligations means:

- (a) all present and future obligations (which, for the avoidance of doubt, are all limited recourse obligations) of the Issuer to the relevant Commodity Contract Counterparty on account of Creation Amounts and interest thereon; and
- (b) all losses, damages, legal and other costs, charges and expenses sustained, suffered or incurred by the relevant Commodity Contract Counterparty arising out of or in connection with any act, matter or thing done or omitted to be done by the Issuer under the Facility Agreement or the Security Assignment or any other Required Security Document;

Secured Property means (in respect of Short or Leveraged Commodity Securities of any class) all rights of the Issuer under the corresponding Facility Agreement(s), Commodity Contracts, any Security Agreement and any Guarantee, in each case to the extent that they apply to payments due in respect of Short or Leveraged Commodity Securities of that class, or any part thereof, and which are subject to the security created in favour of the Trustee pursuant to the applicable Security Deed;

Securities Act means the Securities Act of 1933 of the U.S.;

Security Agreement means in relation to any Facility Agreement in respect of which the Commodity Contract Counterparty enters into a security agreement supplemental to, or supporting the obligations of the Commodity Contract Counterparty pursuant to, (inter alia) that Facility Agreement, such security agreement, and includes such an agreement between the Issuer and UBS dated 5 August 2009 (the **UBS Security Agreement**) and such an agreement between the Issuer and MLCI dated 14 March 2011 (the **MLCI Security Agreement**);

Security Agreement Event means, in respect of a Commodity Contract Counterparty that is a party with the Issuer to a Security Agreement, the occurrence of any event by which the security under such Security Agreement becomes enforceable;

Security Assignment means, in respect of each Authorised Participant Agreement and each Commodity Contract Counterparty, the Security Assignment (if any) pertaining to that Authorised Participant Agreement as it applies in relation to that Commodity Contract Counterparty entered into between the Issuer and the relevant Commodity Contract Counterparty and securing the Secured Obligations of the Issuer to that Commodity Contract Counterparty;

Security Conditions means, with respect to a proposed Authorised Participant and a Commodity Contract Counterparty, to the extent required pursuant to the Facility Agreement to which that Commodity Contract Counterparty is a party, that (a) each Required Security Document with respect to the relevant Authorised Participant Agreement and Commodity Contract Counterparty has been duly executed by the Issuer, (b) notice (duly executed by the Issuer) of each such Required Security Document has been duly given by the Issuer to such proposed Authorised Participant and (c) such proposed Authorised Participant has executed an acknowledgement of such notice in favour of the relevant Commodity Contract Counterparty;

Security Deed means in respect of each Pool and the corresponding class of Commodity Contracts, the security deed entered into between the Issuer and the Trustee pertaining to that Pool;

Security Holder means a registered holder of Short or Leveraged Commodity Securities;

Settlement Failure means, in respect of a Redemption where the Security Holder has delivered the Short and Leveraged Commodity Securities to the Issuer (via the CREST system or another method agreed with the Issuer), a failure by the Issuer to pay or to procure the payment of the whole of a Redemption Amount into the relevant Redemption Account on a Redemption Payment Date;

Settlement Failure Date means, in relation to a Settlement Failure, the date on which such Settlement Failure occurred;

Settlement Price means, in relation to any Pricing Day and a futures contract traded on a Relevant Exchange, the official settlement price of the Relevant Exchange for such day in relation to such futures contract as determined in accordance with the regulations of the Relevant Exchange;

Settlement Pricing has the meaning given in Condition 7.1(a);

Settlement Redemption Form means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Short and Leveraged Commodity Securities using Settlement Pricing;

Short and Leveraged Commodity Securities means Short and Leveraged Index Securities and Short and Leveraged Individual Securities and **Short or Leveraged Commodity Securities** means any of them;

Short and Leveraged Index Securities means Short Index Securities and Leveraged Index Securities and **Short or Leveraged Index Securities** means any of them;

Short and Leveraged Individual Securities means Short Individual Securities and Leveraged Individual Securities and **Short or Leveraged Individual Securities** means any of them;

Short Commodity Securities means Short Index Securities and Short Individual Securities;

Short Index Security means a Short and Leveraged Commodity Security of a class specified as such in Part B of Schedule 6 (*Classes of Short and Leveraged Commodity Securities*) to the Trust Instrument constituted by the Trust Instrument and recorded on the relevant Register;

Short Individual Security means a Short and Leveraged Commodity Security of a class specified as such in Part A of Schedule 6 (*Classes of Short and Leveraged Commodity Securities*) to the Trust Instrument constituted by the Trust Instrument and recorded on the relevant Register;

T+2 Implementation Date means the date specified as such in or determined as such in accordance with a notice given by the Issuer to the Security Holders not less than 5 days prior thereto;

Theoretical Hedge Position means in respect of a particular futures contract, the number calculated in accordance with Condition 5.7;

Trading Day means:

- (a) for an Individual Commodity Index, a day on which the Relevant Exchange for that Individual Commodity Index is open for trading during its regular trading session, notwithstanding such Relevant Exchange closing prior to its scheduled closing time;
- (b) for a Composite Commodity Index a day on which all the Relevant Exchanges for each commodity comprised in that Composite Commodity Index are open for trading during their regular trading session, notwithstanding any of such Relevant Exchanges closing prior to their scheduled closing time;
- (c) for a futures contract the Settlement Price of which is included in the calculation of a Commodity Index, a day on which the Relevant Exchange for that futures contract is open for trading during its regular trading session, notwithstanding such Relevant Exchange closing prior to its scheduled closing time; or
- (d) for a commodity in connection with a Commodity Index (or class of Short or Leveraged Commodity Securities), a Trading Day (pursuant to sub-paragraph (c) above) for a futures contract in respect of that commodity the Settlement Price for which is included in the calculation of that Commodity Index (or the Commodity Index relating to that class of Short or Leveraged Commodity Securities);

Trustee means The Law Debenture Trust Corporation p.l.c. of Fifth Floor, 100 Wood Street, London EC2V 7EX, England and any replacement trustee under the Trust Instrument;

Trustee Consent Documents means each Facility Agreement (but excluding the schedules to that Facility Agreement, save schedules 1, 11 and 12), Commodity Contracts created thereunder, any Guarantee and any Security Agreement (but excluding the definitions of “Eligible Collateral”, “Issuer Concentration Limit”, “Jurisdiction Limit”, “Valuation Percentage” and “Value” therein);

Trust Instrument means the trust instrument dated 8 February 2008, between the Issuer and the Trustee constituting Short and Leveraged Commodity Securities, including the schedules thereto;

UBS means UBS AG, a corporation domiciled in Basel, Switzerland, registered as an overseas company in England and Wales with registered number FC021146 and operating in the United Kingdom under branch registration number BR004507, acting through its London branch at 1 Finsbury Avenue London EC2M 2PP, England;

UBS Securities means UBS Securities LLC, a Delaware limited liability company whose principal place of business is at 677 Washington Boulevard, Stamford, Connecticut 06901;

UK or United Kingdom means the United Kingdom of Great Britain and Northern Ireland;

UK Listing Authority means the FCA in its capacity as the competent authority for the purposes of Part VI of the FSMA;

Unacceptable Authorised Participant means, in respect of a Commodity Contract Counterparty, an Authorised Participant (a) in respect of which the relevant Commodity Contract Counterparty has given and not withdrawn notice under the relevant Facility Agreement that the Authorised Participant has ceased to be acceptable to such Commodity Contract Counterparty or (b) which is an “Unacceptable Authorised Participant” (as defined in the Classic and Longer Dated Facility Agreement between the Issuer and that Commodity Contract Counterparty) for the purposes of that Classic and Longer Dated Facility Agreement;

Uncertificated Form means recorded on a Register as being held in uncertificated form, title to which, by virtue of the Regulations, may be transferred by means of CREST;

Uncertificated Notice of Meeting means a properly authenticated dematerialised instruction, and/or other instruction or notification, which is sent by means of CREST;

US Dollars or US\$ means the lawful currency of the U.S.;

US Person means a “US person” as defined in Regulation S under the Securities Act;

United States or U.S. means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

VAT means value added tax.

1.2 The following rules shall apply to the interpretation of these Conditions unless the context otherwise requires:

- (a) Headings to Conditions, paragraphs, and other provisions of these Conditions are inserted for ease of reference only and shall not affect the interpretation of these Conditions.
- (b) Any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity.
- (c) Words in the singular shall also include the plural and vice versa.
- (d) Any reference to these Conditions or to any agreement or document includes a reference to these Conditions, or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time.
- (e) Unless otherwise indicated, any reference in these Conditions to a time is a reference to local time in London, England.

2. STATUS OF SHORT AND LEVERAGED COMMODITY SECURITIES

Short and Leveraged Commodity Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3. The Short and Leveraged Commodity Securities of each class rank *pari passu* among themselves.

3. SECURITY AND LIMITED RECOURSE

- 3.1 The obligations of the Issuer in respect of each class of Short or Leveraged Commodity Securities are secured pursuant to the Security Deed applicable to that class by a first ranking floating charge in favour of the Trustee for the Security Holders over, and by an assignment by way of security of, all the Issuer's rights in relation to the Secured Property of that class.
- 3.2 The Trustee and the Security Holders of any class of Short or Leveraged Commodity Securities shall have recourse only to sums derived from the Secured Property relating to the relevant Pool. If, the Trustee (or any other secured party) having realised the same, the net proceeds are insufficient for the Issuer to make all payments which, but for the effect of this Condition, would then be due, the obligations of the Issuer will be limited to such net proceeds of realisation, neither the Trustee nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums and no debt shall be owed by the Issuer to any such person in respect of any such further sum. In particular, neither the Trustee nor any Security Holder shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) in relation to the Issuer (except for the appointment of a receiver and manager pursuant to the relevant Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period (howsoever described) ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any class issued by the Issuer and constituted by the Trust Instrument are repaid, nor shall they have any claim in respect of any sum arising in respect of the Secured Property for any other Pool or any other assets of the Issuer including, but not limited to, any sums derived from or in connection with any Classic and Longer Dated Securities.

4. FORM AND TRANSFER

- 4.1 Short and Leveraged Commodity Securities are in registered form and are individually transferable.
- 4.2 Short and Leveraged Commodity Securities may be held and transferred in Uncertificated Form by means of CREST in accordance with the Regulations. The Trustee may, without the consent of Security Holders, concur with the Issuer in making modifications to the provisions of the Trust Instrument in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Short and Leveraged Commodity Securities in Uncertificated Form. A Security Holder may request that his Short or Leveraged Commodity Securities be held in Certificated Form, in which case such Short or Leveraged Commodity Securities shall be removed from CREST.
- 4.3 The Issuer shall at all times keep at its registered office, or at such other place in Jersey as the Trustee may agree, registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Short or Leveraged Commodity Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 days in any one year) as it may think fit.

- 4.4 The Issuer, the Trustee and, to the extent relevant, each Security Holder, by accepting a Short or Leveraged Commodity Security, agrees to treat the Short and Leveraged Commodity Securities as equity interests in the Issuer for all U.S. federal tax purposes.

5. PRICE OF SHORT AND LEVERAGED COMMODITY SECURITIES

5.1 The Price for the first Short or Leveraged Commodity Security of a particular class to be issued (which shall be treated as being the Price for the day on which the Creation Notice (as defined in the Facility Agreement) for the corresponding Commodity Contract is received or deemed received by the Commodity Contract Counterparty pursuant to the Facility Agreement) shall be \$50.0000000. Thereafter the Price for a Short or Leveraged Commodity Security of each class shall be calculated on each calendar day in accordance with Conditions 5.2 to 5.4 below; save that:

- (a) in relation to a Short or Leveraged Index Security, an Indicative Price shall be calculated in accordance with Condition 5.5 for any calendar day which is for the Composite Commodity Index applicable to that Short or Leveraged Index Security: (i) a Market Disruption Day; or (ii) a day (not being a Pricing Day) where the preceding day which is both a Trading Day and a General Trading Day was a Market Disruption Day, and, subject to (c) below, on each such day no Price shall be calculated for the relevant class of Short or Leveraged Index Security;
- (b) in relation to a Short or Leveraged Index Security, for a Pricing Day where the preceding Trading Day which is a General Trading Day for the Composite Commodity Index applicable to that Short or Leveraged Index Security was a Market Disruption Day, the Price for such day shall be calculated in accordance with Condition 5.6 below;
- (c) upon a Settlement Redemption Form being deemed received in relation to a class of Short or Leveraged Index Security on a Trading Day which is a General Trading Day but not a Pricing Day then a Price shall be determined for that class of Short or Leveraged Index Security in accordance with Condition 5.8 solely for the purposes of the Redemption pursuant to that Settlement Redemption Form (and, for the avoidance of doubt, that Price shall not be considered a Price for any other purpose under this Condition 5); and
- (d) upon a Settlement Redemption Form being deemed received in relation to a class of Short or Leveraged Individual Security on a Trading Day which is a General Trading Day but not a Pricing Day Condition 5.9 shall apply.

Pricing

5.2 Subject to Condition 5.1 above, the Price of a Short or Leveraged Commodity Security of a particular class for each calendar day will be an amount (which may not be negative) determined using the relevant Commodity Index for that class by the following formula (calculated to 7 places of decimals with 0.00000005 rounded upwards):

$$P_{i,t} = P_{i,t-1} \times \left\{ 1 + CA_{i,t} + LF_i \times \left(\frac{I_{i,t}}{I_{i,t-1}} - 1 \right) \right\}$$

where:

$P_{i,t}$ is the Price of a Short or Leveraged Commodity Security of class i for day t;

$P_{i,t-1}$ is the Price of a Short or Leveraged Commodity Security of class i for day t-1;

- i refers to the relevant class of Short or Leveraged Commodity Security;
- t refers to the applicable calendar day;
- t-1 refers to the calendar day prior to day t;
- CA_{i,t} is the Capital Adjustment applicable to class i on day t, expressed as a decimal;
- LF_i is the Leverage Factor applicable to class i, expressed as a number. For Short Commodity Securities, LF = -1 and for Leveraged Commodity Securities, LF = +2;
- I_{i,t} is the closing settlement price level of the Commodity Index applicable to a Short or Leveraged Commodity Security of class i for day t. If day t is not a Pricing Day for a Short or Leveraged Commodity Security of class i, then I_{i,t} will be the same as I_{i,t-1}; and
- I_{i,t-1} is the closing settlement price level of the Commodity Index applicable to a Short or Leveraged Commodity Security of class i for day t-1.

5.3 For a Short or Leveraged Individual Security if t-1 is not a Pricing Day then I_{i,t-1} shall be the closing settlement price level of the Individual Commodity Index applicable to a Short or Leveraged Individual Security of class i on the preceding Pricing Day.

5.4 For a Short or Leveraged Index Security, if t-1 is not a Pricing Day then I_{i,t-1} shall be the closing settlement price level of the Composite Commodity Index applicable to a Short or Leveraged Index Security of class i on the last day preceding day t-1 which is both a General Trading Day and a Trading Day for that Composite Commodity Index.

Indicative Pricing during Market Disruptions

5.5 For a Short or Leveraged Index Security, if t is a day which is (a) a Market Disruption Day for the Composite Commodity Index applicable to that Short or Leveraged Index Security or (b) a calendar day (not being a Pricing Day) and the day which is both a Trading Day (for that Composite Commodity Index) and a General Trading Day preceding day t was a Market Disruption Day then the Indicative Price of such Short or Leveraged Index Security shall be as follows:

Calculation of Indicative Price on an initial Market Disruption Day

- (i) on a day which is a Market Disruption Day for the Composite Commodity Index by reference to which the Price of a class of Short or Leveraged Index Security is calculated and where the preceding day which is both a Trading Day and a General Trading Day was also a Pricing Day for such Composite Commodity Index (such Market Disruption Day being “Market Disruption Day 1”), the Indicative Price of a Short or Leveraged Index Security of any class shall be determined in accordance with the following formula calculated to 7 places of decimals with 0.0000005 rounded upwards):

$$IP_{i,t} = P_{i,t-1} \times \left[1 + CA_{i,t} + LF_i \times \left(\frac{I_{i,t}}{I_{i,t-1}} - 1 \right) \right]$$

where:

- $IP_{i,t}$ is the Indicative Price of a Short or Leveraged Index Security of class i for day t;
- $P_{i,t-1}$ is the Price of a Short or Leveraged Index Security of class i for day t-1;
- i refers to the relevant class of Short or Leveraged Index Security;
- t refers to the applicable calendar day (t=1 being Market Disruption Day 1);
- $t-1$ refers to the calendar day prior to day t;
- $CA_{i,t}$ is the Capital Adjustment applicable to class i on day t;
- LF_i is the Leverage Factor applicable to class i, expressed as a number. For Short Commodity Securities, LF=-1 and for Leveraged Commodity Securities, LF=2;
- $I_{i,t}$ is the closing settlement price level of the Composite Commodity Index applicable to a Short or Leveraged Index Security of class i for day t; and
- $I_{i,t-1}$ is the closing settlement price level of the Commodity Index applicable to a Short or Leveraged Index Security of class i for day t-1. If day t-1 is not a Pricing Day then $I_{i,t-1}$ shall be the closing price level of the Composite Commodity Index applicable to a Short or Leveraged Index Security of class i on the immediately preceding Pricing Day,

and

Calculation of Indicative Price on a calendar day following initial Market Disruption Day

- (ii) on any calendar day not falling within sub-paragraph (i) above for which an Indicative Price in respect of a class of Short or Leveraged Index Securities is required to be calculated hereunder, the Indicative Price of a Short or Leveraged Index Security of that class shall be determined in accordance with the following formula (calculated to 7 places of decimals with 0.00000005 rounded upwards):

$$IP_{i,t} = [IP_{i,t-1} \times (1 + CA_{i,t})] + \sum_{u=1}^{NC} \sum_{j=1}^2 HP_{i,t-1,j}^u \times \left(\frac{WAV_{t,j}^u}{CIM_{t,j}^u} - \frac{WAV_{t-1,j}^u}{CIM_{t-1,j}^u} \right)$$

where:

- $IP_{i,t}$ is the Indicative Price of a Short or Leveraged Index Security of class i for day t;
- $IP_{i,t-1}$ is the Indicative Price of a Short or Leveraged Index Security of class i for day t-1 (calculated for t-1 in the same manner as for day t in accordance with sub-paragraph (i) or this sub-paragraph (ii));
- i refers to the relevant class of Short or Leveraged Index Security;
- t refers to the applicable calendar day;
- $t-1$ refers to the calendar day prior to t;
- $CA_{i,t}$ is the Capital Adjustment applicable to class i on day t;

- NC means the total number of commodities in the relevant Composite Commodity Index;
- u is a commodity the Settlement Price of a futures contract relating to which is used in calculating the Composite Commodity Index to which the relevant Short or Leveraged Index Security relates;
- j in relation to a commodity u , is either a Lead Future or a Next Future and where $j=1$ it is a Lead Future and where $j=2$ it is a Next Future;
- $HP_{i,t-1,j}^u$ is the Theoretical Hedge Position for futures contract j of commodity u in respect of Short or Leveraged Index Security i on day $t-1$ calculated in accordance with Condition 5.7, save that where $t-1$ is not both a Trading Day for the relevant Composite Commodity Index and a General Trading Day then it shall be the Theoretical Hedge Position for such futures contract on the first day prior to day $t-1$ which is both a Trading Day for the relevant Composite Commodity Index and a General Trading Day;
- $WAV_{t,j}^u$ means the weighted value for futures contract j of commodity u on day t used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook, *provided that* where day t is not both a Trading Day for that Composite Commodity Index and a General Trading Day then it shall be equal to $WAV_{t-1,j}^u$;
- $WAV_{t-1,j}^u$ means the weighted value for futures contract j of commodity u on day $t-1$ used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook, *provided that* where day $t-1$ is not both a Trading Day for that Composite Commodity Index and a General Trading Day then it shall be the weighted value for such futures contract on the first day prior to day $t-1$ which is both a Trading Day for that Composite Commodity Index and a General Trading Day;
- $CIM_{t,j}^u$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day t for futures contract j of commodity u , *provided that* where day t is not both a Trading Day for the relevant Composite Commodity Index and a General Trading Day then it shall be equal to $CIM_{t-1,j}^u$; and
- $CIM_{t-1,j}^u$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day $t-1$ for futures contract j of commodity u , *provided that* where day $t-1$ is not both a Trading Day for the relevant Composite Commodity Index and a General Trading Day then it shall be equal to the Commodity Index Multiplier for such futures contract on the first day prior to day $t-1$ which is both a Trading Day for that Composite Commodity Index and a General Trading Day,

Cessation of calculation of Indicative Price

- (iii) the Indicative Price of a Short or Leveraged Index Security of any class shall cease to be calculated pursuant to (ii) above on the first day following Market Disruption Day 1 which is a Pricing Day for the Composite Commodity Index applicable to that class of Short or Leveraged Index Security and the Price on such Pricing Day shall be calculated in accordance with Condition 5.6.

Pricing after Market Disruption Events

- 5.6 For a Short or Leveraged Index Security, if t is a Pricing Day and the preceding Trading Day which is a General Trading Day for the Composite Commodity Index applicable to that Short or Leveraged Index Security was a Market Disruption Day then the Price of such Short or Leveraged Index Security shall be determined in accordance with the following formula (calculated to 7 places of decimals with 0.00000005 rounded upwards):

$$P_{i,t} = [IP_{i,t-1} \times (1 + CA_{i,t})] + \sum_{u=1}^{NC} \sum_{j=1}^2 HP_{i,t-1,j}^u \times \left(\frac{WAV_{t,j}^u}{CIM_{t,j}^u} - \frac{WAV_{t-1,j}^u}{CIM_{t-1,j}^u} \right)$$

where:

- $P_{i,t}$ is the Price of a Short or Leveraged Index Security of class i for day t;
- $IP_{i,t-1}$ is the Indicative Price of a Short or Leveraged Index Security of class i for day t-1;
- I refers to the relevant class of Short or Leveraged Index Security;
- t refers to the applicable calendar day;
- $t-1$ refers to the calendar day prior to day t;
- CA_{it} is the Capital Adjustment applicable to class i for day t;
- NC means the total number of commodities in the relevant Composite Commodity Index;
- $HP_{i,t-1,j}^u$ means the Theoretical Hedge Position for futures contract j of commodity u in respect of Short or Leveraged Index Security i on day t-1, save that where day t-1 is not both a Trading Day for the applicable Composite Commodity Index and a General Trading Day then it shall mean the Theoretical Hedge Position for such futures contract on the day preceding t-1 which is both a Trading Day for the relevant Composite Commodity Index and a General Trading Day;
- u is a commodity the Settlement Price of a futures contract relating to which is used in calculating the Composite Commodity Index to which the relevant Short or Leveraged Index Security relates;
- j in relation to a commodity u, is either a Lead Future or a Next Future and where j=1 it is a Lead Future and where j=2 it is a Next Future;
- $WAV_{t,j}^u$ means the weighted value for futures contract j of commodity u on day t used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook;
- $WAV_{t-1,j}^u$ means the weighted value for futures contract j of commodity u on day t-1 used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook and where day t-1 is not a Trading Day for that Composite Commodity Index which is a General Trading Day then it shall be the weighted value for such futures contract used to calculate the last published relevant value of the Composite Commodity Index on the first day prior to day t-1 which is both a Trading Day for that Composite Commodity Index and a General Trading Day;

$CIM_{t,j}^u$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day t for futures contract j of commodity u; and

$CIM_{t-1,j}^u$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day t-1 for futures contract j of commodity u and where day t-1 is not a Trading Day for that Composite Commodity Index which is a General Trading Day then it shall be equal to the Commodity Index Multiplier for such futures contract on the first day prior to day t-1 which is both a Trading Day for that Composite Commodity Index and a General Trading Day.

Theoretical Hedge Position

5.7 For the purposes of Conditions 5.5 and 5.6 the Theoretical Hedge Position in respect of a particular futures contract and commodity shall be as follows:

Theoretical Hedge Position on a Pricing Day

(i) on any day which is a Pricing Day for the Short or Leveraged Index Security of class i shall be the number determined in accordance with the following formula:

$$HP_{i,t,j}^u = LF_i \times \frac{P_{i,t} \times CIM_{t,j}^u \times RW_{t,j}^u}{\sum_{v=1}^{NC} \sum_{k=1}^2 WAV_{t,k}^v \times RW_{t,k}^v}$$

where:

$HP_{i,t,j}^u$ means the Theoretical Hedge Position for futures contract j of commodity u in respect of Short or Leveraged Index Security i on day t;

i refers to the relevant class of Short or Leveraged Index Security;

t refers to the applicable calendar day;

j in relation to commodity u, is either a Lead Future or a Next Future and where j=1 it is a Lead Future and where j=2 it is a Next Future;

u is a commodity the Settlement Price of a futures contract relating to which is used in calculating the Composite Commodity Index to which the Short or Leveraged Index Security relates;

LF_i is the Leverage Factor applicable to class i, expressed as a number. For Short Commodity Securities, LF=-1 and for Leveraged Commodity Securities, LF=2;

$P_{i,t}$ is the Price of a Short or Leveraged Index Security of class i for day t;

$CIM_{t,j}^u$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day t for futures contract j of commodity u;

$RW_{t,j}^u$ means the roll weight applicable to futures contract j on day t in respect of commodity u, being a value of either 0, 0.2, 0.4, 0.6, 0.8 or 1 as determined in accordance with the Handbook, to be used in the calculation of the relevant Composite Commodity Index on the following Trading Day for the relevant Short or Leveraged Index Security;

$RW_{t,k}^v$ means the roll weight applicable to futures contract k on day t in respect of commodity v, being a value of either 0, 0.2, 0.4, 0.6, 0.8 or 1 as determined in accordance with the Handbook, to be used in the calculation of the relevant Composite Commodity Index on the following Trading Day for the relevant Short or Leveraged Index Security;

NC means the total number of commodities in the relevant Composite Commodity Index;

v means each commodity in the relevant Composite Commodity Index;

k in relation to a commodity v, is either a Lead Future or a Next Future and where $k=1$ it is a Lead Future and where $k=2$ it is a Next Future; and

$WAV_{t,k}^v$ means the weighted value for futures contract k of commodity v on day t used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook,

or

Theoretical Hedge Position on a Market Disruption Day

(ii) on a day which is a Market Disruption Day for one or more commodities of the relevant Composite Commodity Index:

(1) for those commodities for which it is not a Market Disruption Day shall be the number calculated using the formula set out in paragraph (i) above, save that the value $P_{i,t}$ shall be replaced with $IP_{i,t}$ being the Indicative Price of a Short or Leveraged Index Security of class i for day t calculated in accordance with Condition 5.5 above; and

(2) for those commodities for which it is a Market Disruption Day shall be the number determined in accordance with the following formula:

$$HP_{i,t,j}^u = HP_{i,t-1,j}^u$$

where:

$HP_{i,t,j}^u$ means the Theoretical Hedge Position for futures contract j of commodity u in respect of Short or Leveraged Index Security i on day t;

$HP_{i,t-1,j}^u$ means the Theoretical Hedge Position for futures contract j of commodity u in respect of Short or Leveraged Index Security i on day t-1, save that when t-1 is not both a Trading Day for the relevant Composite Commodity Index and a General Trading Day then it shall be the Theoretical Hedge Position for such futures contract on the first day prior to day t-1 which is both a Trading Day for the relevant Composite Commodity Index and a General Trading Day.

Redemptions during Market Disruption Days

- 5.8 For the Redemption of a Short or Leveraged Index Security, if day t is a Market Disruption Day for the Composite Commodity Index relating to that Short or Leveraged Index Security, then the Price of such Short or Leveraged Index Security shall be determined in accordance with paragraphs (a) and (b) of Condition 7.10.
- 5.9 For the Redemption of a Short or Leveraged Individual Security, if day t is a Market Disruption Day for the Individual Commodity Index relating to that Short or Leveraged Individual Security then paragraph (a) of Condition 7.10 shall apply.

6. CAPITAL ADJUSTMENT

The calculation of the Price at which Short and Leveraged Commodity Securities may be Redeemed includes the Capital Adjustment for each day on which the Price is calculated. The Capital Adjustment in respect of each class of Short and Leveraged Commodity Security shall be as agreed from time to time between the Commodity Contract Counterparties and the Issuer.

7. REDEMPTION OF SHORT AND LEVERAGED COMMODITY SECURITIES BY SECURITY HOLDERS

Redemption Entitlement

- 7.1 Each Short and Leveraged Commodity Security of a particular class carries the right on Redemption to payment of either:
- (a) the higher of (i) the Principal Amount for that class, and (ii) the Price of that Short or Leveraged Commodity Security on the applicable Pricing Day determined in accordance with Condition 5.1 (*Settlement Pricing*); or
 - (b) where applicable, an amount determined by agreement between a Commodity Contract Counterparty and a Security Holder which is an Authorised Participant in accordance with Condition 7.14 (*Agreed Pricing*).

Redemption by Authorised Participants

- 7.2 A Security Holder who is also an Authorised Participant may (subject as provided herein) require the Issuer to Redeem all or part of its holding of Short and Leveraged Commodity Securities by lodging with the Issuer a Redemption Form specifying either Settlement Pricing or Agreed Pricing provided that if at any time a Redemption Amount is due to be paid by the Issuer in respect of a Redemption to a particular Authorised Participant, the amount payable by the Issuer may be discharged in whole or in part pursuant to the set-off provisions set out in the Authorised Participant Agreement. A Settlement Redemption Form may in addition be deemed to have been lodged by an Authorised Participant with the Issuer on a Listing Failure Date in the circumstances further described in the applicable Authorised Participant Agreement.

Redemption by Other Security Holders

- 7.3 A Security Holder which is not also an Authorised Participant may only require the Issuer to Redeem all or any part of its holding of Short and Leveraged Commodity Securities if either:
- (a) on any General Trading Day, there are no Authorised Participants, and the Security Holder submits on such day a valid Settlement Redemption Form; or
 - (b) the Issuer has announced by an RIS in respect of any General Trading Day, or until further announcement or generally, that Redemptions by Security Holders who are not Authorised Participants will be permitted and the Security Holder submits on a General Trading Day a valid notice in the form prescribed for the purpose by the Issuer requesting Redemption of such Short or Leveraged Commodity Securities using Settlement Pricing. Any such announcement may be general or subject to conditions, and any notice requesting any Redemption which is not in accordance with any such conditions shall not be valid.

Redemption Amount

- 7.4 The Redemption Amount with respect to a Redemption shall be the amount (in US Dollars) determined as follows:
- (a) if the Redemption is effected using Settlement Pricing, an amount equal to the sum of the amounts determined in accordance with Condition 7.1 or Condition 7.2 in respect of all of the Short and Leveraged Commodity Securities thereby Redeemed; or
 - (b) if the Redemption is effected using Agreed Pricing, the amount specified as the Redemption Amount in the Agreed Redemption Form.
- 7.5 The Issuer shall on the Redemption Payment Date in respect of any Redemption pay (or procure the payment of) the Redemption Amount in respect of that Redemption into the applicable Redemption Account.

Redemption Limits

- 7.6 Short and Leveraged Commodity Securities of a particular class may not be Redeemed on a day pursuant to a Settlement Redemption Form:
- (a) submitted by any Security Holder (including any Authorised Participant), to the extent that the cancellation of Commodity Contracts corresponding to the Redemption of all Short and Leveraged Commodity Securities which are Redeemed on that day would exceed the sum of the Commodity Contract Counterparty Redemption Limits applicable to such cancellation on that day (such limit being the ***Redemption Limit*** for that class of Short and Leveraged Commodity Securities); or
 - (b) submitted by any Authorised Participant, to the extent that the cancellation of Commodity Contracts corresponding to the Redemption of all Short and Leveraged Commodity Securities which are Redeemed on that day pursuant to Settlement Redemption Forms submitted by that Authorised Participant would exceed the sum of the Commodity Contract Counterparty Redemption Limits applicable to such cancellation on that day in respect only of those Commodity Contract Counterparties for which that Authorised Participant is an Authorised Participant (such limit being the ***Authorised Participant Redemption Limit*** for that class of Short and Leveraged Commodity Securities and that Authorised Participant).

For the purposes of this Condition, the ***Commodity Contract Counterparty Redemption Limit*** with respect to a class of Short and Leveraged Commodity Securities (or in relation to any class of Short and Leveraged Commodity Securities any commodities the Settlement Price of

futures contracts relating to which are included in the calculation of the Commodity Index relating to that class of Short and Leveraged Commodity Securities) and a Commodity Contract Counterparty is the amount denominated in US Dollars agreed between the Issuer and that Commodity Contract Counterparty as the redemption limit in respect of the corresponding class of Commodity Contracts (or the commodities the Settlement Price of futures contracts relating to which are included in the calculation of the Commodity Index relating to that class of Commodity Contracts).

- 7.7 For the purposes of the Redemption Limits, Redemption Forms will be dealt with in order of their actual receipt by the Issuer and, for the purpose of this Condition, Condition 7.11 shall be disregarded.

Settlement Pricing

7.8. A Settlement Redemption Form shall be invalid:

- (a) if it does not specify a number and class of Short or Leveraged Commodity Securities to be Redeemed;
- (b) [*not used*];
- (c) for a Settlement Redemption Form lodged by an Authorised Participant, if it is received by the Issuer at any time other than between 8.00 a.m. and 6.30 p.m. on an Issuer Business Day;
- (d) if it does not specify the Redemption Account into which the Redemption Amount shall be payable;
- (e) to the extent that the number of Short or Leveraged Commodity Securities of that class or in aggregate to be Redeemed would result in a Redemption Limit being exceeded, and the relevant Commodity Contract Counterparty does (or Commodity Contract Counterparties do) not agree to that Redemption Limit being exceeded (in which event such Settlement Redemption Form will not be capable of being invalidated under this Condition 7.8(e) in respect of the greatest number of Short or Leveraged Commodity Securities of the relevant class or classes that would not result in the Redemption Limit being exceeded);
- (f) if the Settlement Redemption Form is submitted by an Authorised Participant, and the number of Short or Leveraged Commodity Securities of that class or in aggregate to be Redeemed would result in an Authorised Participant Redemption Limit being exceeded (in which event such Settlement Redemption Form shall not be capable of being invalidated under this Condition 7.8(f) in respect of the greatest number of Short or Leveraged Commodity Securities of the relevant class that would not result in the Authorised Participant Redemption Limit being exceeded);
- (g) where notice of a Compulsory Redemption Date has been given, if the Settlement Redemption Form is received or deemed received on or after: (i) where notice has been given under Condition 8.2 or (either following the giving of notice by the Issuer to nominate a compulsory pricing date under a Facility Agreement following a Counterparty Event of Default or the giving of notice by a Commodity Contract Counterparty to nominate a compulsory pricing date under its Facility Agreement as a result of a Guarantor Tax Event (as defined in any applicable Guarantee)) under Condition 8.1(a), the date on which notice of the Compulsory Redemption Date was given; or (ii) in any other case, the Compulsory Redemption Date;

- (h) if it is received or deemed received on or after the Compulsory Redemption Date in respect of any class of Short and Leveraged Commodity Securities, in respect of which notice has been given in accordance with Condition 8.5;
- (i) if it relates to the Redemption of Short and Leveraged Commodity Securities that are the subject of a Listing Failure; or
- (j) if it is invalid pursuant to Condition 7.18(c) or Condition 7.19(c);

and, save as provided in Condition 7.8(f), no Short and Leveraged Commodity Securities of the relevant class shall be Redeemed in respect of or under that Settlement Redemption Form.

7.9 If the Issuer considers that a purported Settlement Redemption Form is invalid, it shall notify the Security Holder giving that Settlement Redemption Form of that fact as soon as reasonably possible. The Issuer shall not be obliged to Redeem pursuant to a Settlement Redemption Form any Short or Leveraged Commodity Securities where the relevant Commodity Contract Counterparty has not confirmed a corresponding Commodity Contract Termination in accordance with the provisions of the relevant Facility Agreement. If the Issuer in its absolute discretion considers it necessary or desirable to do so in relation to any Settlement Redemption Form for the purpose of arranging (in aggregate) corresponding Commodity Contract Terminations in accordance with two or more Facility Agreements or to enable such Settlement Redemption Form to be settled in part in accordance with Condition 12 (*Settlement of Redemption Forms by Transfer*), or both, the Issuer may determine that the Settlement Redemption Form be deemed to comprise two or more deemed Settlement Redemption Forms, such deemed Settlement Redemption Forms relating to, in aggregate, the same numbers and classes of Short and Leveraged Commodity Securities as those to which the original Settlement Redemption Form related; and these Conditions shall apply to such deemed Settlement Redemption Forms accordingly. If the Issuer determines to exercise its right to deem a Settlement Redemption Form to comprise two or more deemed Settlement Redemption Forms it shall notify the Security Holder giving that Settlement Redemption Form of that fact as soon as reasonably possible.

7.10 If a Settlement Redemption Form in relation to a class of Short or Leveraged Commodity Securities is deemed received by the Issuer prior to the Notice Deadline on an Issuer Business Day (*Day 1*):

- (a) if Day 1 is not a Pricing Day for such Short or Leveraged Individual Securities or, in the case of Short or Leveraged Index Securities, if Day 1 is not a Pricing Day for each of the commodities by reference to the Settlement Prices for which the Commodity Index relating to the class of Short or Leveraged Index Securities to which the Settlement Redemption Form relates is calculated (in whole or in part):
 - (i) the Security Holder may by written notice to the Issuer, sent before the Notice Deadline on the next succeeding Issuer Business Day, cancel the Settlement Redemption Form, and where such a Withdrawal Notice is given no Short or Leveraged Commodity Securities shall be Redeemed in respect of or under that Settlement Redemption Form; and
 - (ii) if no notice is issued under Condition 7.10(a)(i) then the Settlement Redemption Form will be deemed received by the Issuer prior to the Notice Deadline on the next Issuer Business Day (and no redemption of Short or Leveraged Commodity Securities for that Settlement Redemption Form shall occur before then) in priority to any Settlement Redemption Form deemed received by the Issuer prior to the Notice Deadline on such Issuer Business Day pursuant to Condition 7.11 and that Issuer Business Day will then

constitute Day 1 for the Settlement Redemption Form and this Condition 7.10 shall apply thereto accordingly;

- (b) in the case of Short or Leveraged Index Securities, if Day 1 is a Pricing Day for one or more but not all futures contracts by reference to the Settlement Price for which the Composite Commodity Index relating to a Short or Leveraged Index Security of class *i* relates is calculated (in whole or in part) then (1) that Short or Leveraged Index Security will not be priced until the next General Trading Day on which each such futures contract has had one or more Pricing Days; and (2) the Price of a Short or Leveraged Index Security of that class for a Settlement Redemption Form deemed received on Day 1 will be an amount (which may not be negative) calculated to 7 places of decimals with 0.00000005 rounded upwards):

$$P_{i,t} = IP_{i,t} \times \left(1 + \sum_{\Gamma=t}^{IPD-1} CA_{i,\Gamma+1} \right) + \sum_{w=1}^{ND} \sum_{\tau=t}^{CPD^w-1} \sum_{j=1}^2 HP_{i,\tau,j}^w \times \left(\frac{WAV_{\tau+1,j}^w}{CIM_{\tau+1,j}^w} - \frac{WAV_{\tau,j}^w}{CIM_{\tau,j}^w} \right)$$

where:

- $P_{i,t}$ is the Price of a Short or Leveraged Index Security of class *i* for day *t*;
- $IP_{i,t}$ is the Indicative Price (determined in accordance with Condition 5.5) of a Short or Leveraged Index Security of class *i* for day *t*;
- I* refers to the relevant class of Short or Leveraged Index Security;
- t* refers to the applicable calendar day (Day 1);
- IPD* represents the ‘Index Pricing Day’, which is defined as the day upon which the relevant Short or Leveraged Index Security is priced, being the General Trading Day on which each futures contract by reference to the Settlement Price for which the relevant Composite Commodity Index is calculated has had at least one Pricing Day from and including day *t*;
- IPD-1* refers to the calendar day prior to *IPD*;
- $CA_{i,\Gamma+1}$ is the Capital Adjustment applicable to a Short or Leveraged Index Security of class *i* for day $\Gamma+1$;
- Γ represents each calendar day from and including *t* until and including *IPD-1*;
- τ means each calendar day from and including *t* until and including CPD^w-1 ;
- ND* means the ‘Number of Disrupted commodities’, being defined as the number of commodities represented in the relevant Composite Commodity Index which are the subject of a Market Disruption Event on Day 1;

- w is a commodity in relation to the relevant Composite Commodity Index which is subject to a Market Disruption Event on Day 1;
- CPD^w represents the ‘Commodity Pricing Day’ which is defined as the first calendar day following Day 1 which is a Pricing Day for commodity w ;
- CPD^w-I refers to the calendar day preceding CPD^w ;
- j in relation to a commodity w , is either a Lead Future or a Next Future and where $j=1$ it is a Lead Future and where $j=2$ it is a Next Future;
- $HP_{i,\tau,j}^w$ means the Theoretical Hedge Position (determined in accordance with Condition 5.7(ii)) for futures contract j of commodity w in respect of Short or Leveraged Index Security i on day τ ;
- $WAV_{\tau+1,j}^w$ means the weighted value for futures contract j of commodity w on day $\tau+1$ used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook, provided that where day $\tau+1$ is not a General Trading Day then it shall be equal to $WAV_{\tau,j}^w$;
- $WAV_{\tau,j}^w$ means the weighted value for futures contract j of commodity w on day τ used for calculating the relevant Composite Commodity Index calculated in accordance with the Handbook, provided that where day τ is not a General Trading Day then it shall be the weighted value for such futures contract on the General Trading Day preceding day τ ;
- $CIM_{\tau,j}^w$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day τ for futures contract j of commodity w , provided that where day τ is not a General Trading Day then it shall be equal to the Commodity Index Multiplier for such futures contract on the first General Trading Day prior to day τ ; and
- $CIM_{\tau+1,j}^w$ means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day $\tau+1$ for futures contract j of commodity w , provided that where day $\tau+1$ is not a General Trading Day then it shall be equal to $CIM_{\tau,j}^w$.
- (c) where Condition 7.10(b) applies, the Pricing Date in respect of the Settlement Redemption Form relating to the Short or Leveraged Index Securities concerned will be the Trading Day on which all futures contracts by reference to the Settlement Price for which the Composite Commodity Index relating to such Short or Leveraged Index Securities is calculated have had one or more Pricing Days since (but including) Day 1;
- (d) where Condition 7.10(b) applies:
- (i) in relation to a Settlement Redemption Form delivered by an Authorised Participant, at any time prior to a Pricing being completed in accordance with

Condition 7.10(b) the relevant Commodity Contract Counterparty and the relevant Authorised Participant may agree a Price and applicable Pricing Date in lieu of that which would be determined in accordance with Condition 7.10(b) and notify that Price and applicable Pricing Date jointly to the Issuer in such form as the Issuer may reasonably require. Such joint notification shall be conclusive evidence that the relevant Commodity Contract Counterparty and the relevant Authorised Participant have agreed a Price and applicable Pricing Date which shall apply in lieu of that which would be determined in accordance with Condition 7.10(b);

- (ii) if a Price has not been determined in accordance with Condition 7.10(b) of sub-paragraph (i) by the end of the fourth General Trading Day following Day 1 then, either the relevant Authorised Participant or the Issuer, by notice to the other given in the same manner as for a Pricing Notice, may elect that the Price should instead be determined in the manner provided in the following sub-paragraphs. Any such notice must, to be valid, be given between 8.00 a.m. and 6.30 p.m. (in the case of notice given by the relevant Authorised Participant) or 7.00 p.m. (in the case of notice given by the Issuer) on an Issuer Business Day. Any such notice which is received by the Issuer or the relevant Authorised Participant on an Issuer Business Day after the Notice Deadline but prior to 6.30 p.m. (in the case of notice given by the relevant Authorised Participant) or 7.00 p.m. (in the case of notice given by the Issuer) shall be deemed to be received by the Issuer or the relevant Authorised Participant (as the case may be) at 8.00 a.m. on the following Issuer Business Day, unless the Issuer or the relevant Authorised Participant (as the case may be) agrees to treat that Settlement Redemption Form as having been received prior to the Notice Deadline in which case it shall be deemed to have been received by the Issuer or the relevant Authorised Participant (as the case may be) prior to the Notice Deadline. The giving of any notice pursuant to this paragraph (ii) shall not prevent the relevant Commodity Contract Counterparty and the relevant Authorised Participant from agreeing a Price and Pricing Date in accordance with sub-paragraph (i) above in which case such Price and applicable Pricing Date shall apply in lieu of that which would be determined in accordance with the following sub-paragraphs;
- (iii) if a notice is given pursuant to sub-paragraph (ii) above the Calculation Agent shall calculate in good faith and in a commercially reasonable manner a Price as at the close of business on the Issuer Business Day on which such notice was deemed given using the formula set out in Condition 7.10(b) and, for each relevant futures contract for which a Market Disruption Event would (but for this paragraph (d)) have prevented the determination of the Price hereunder, a fair market value for such futures contract determined using the principles set out in Condition 14.3 and shall notify the same to the Issuer, the relevant Authorised Participant and the relevant Commodity Contract Counterparty; and
- (iv) if by 6.30 p.m. on the Issuer Business Day following notification by the Calculation Agent to the Issuer and the relevant Authorised Participant of any determination made by the Calculation Agent pursuant to sub-paragraph (iii) above either the Issuer or the relevant Authorised Participant notifies the relevant Commodity Contract Counterparty that it requires the appointment of a leading dealer in commodity derivatives as substitute calculation agent (a ***Substitute Calculation Agent***) to determine the fair market values for any futures contract for which a Market Disruption Event would (but for this

paragraph (d)) have prevented the determination of the Price hereunder in accordance with this paragraph and the Price, then (unless agreement is reached otherwise in accordance with sub-paragraph (i) above) each of the Issuer, the relevant Authorised Participant and the relevant Commodity Contract Counterparty shall, in the absence of manifest error, be bound by a determination made by the Substitute Calculation Agent of such fair market values and Price. Any Substitute Calculation Agent shall be appointed jointly by relevant Authorised Participant and the relevant Commodity Contract Counterparty or, at the request of either, by the Issuer. Any Substitute Calculation Agent, if it is an Authorised Participant, shall be independent of the Creation concerned and shall itself have no similar transactions with the Issuer awaiting Pricing in accordance with provisions of its Authorised Participant Agreement analogous to Condition 7.10(b). The Issuer shall not be obliged to appoint any Substitute Calculation Agent hereunder unless it is indemnified and/or secured to its reasonable satisfaction against any Liabilities to which it may thereby render itself liable. In performing its duties under this paragraph any Substitute Calculation Agent shall calculate such fair market values and Price in good faith and in a commercially reasonable manner and shall calculate such Price as at the close of business on the Issuer Business Day on which the notice under sub-paragraph (ii) above was deemed given using the formula set out in Condition 7.10(b) and, for each relevant futures contract for which a Market Disruption Event would (but for this paragraph (d)) have prevented the determination of the Price hereunder, a fair market value for such futures contract using the principles set out in Condition 14.3 and the applicable reported settlement prices for all other relevant futures contracts. The Substitute Calculation Agent shall assume, without enquiry, that any determination by the original Calculation Agent as to whether a Market Disruption Event in relation to any futures contract has occurred is correct and shall be bound by any such determination. Accordingly the role of the Substitute Calculation Agent shall be limited to the determination of the relevant fair market values and the Price consequent upon such determinations. The Substitute Calculation Agent shall have no liability or responsibility to the parties for any error or omission in making any determination in connection with this paragraph.

- 7.11 A Settlement Redemption Form which is received by the Issuer on an Issuer Business Day after the Notice Deadline but prior to 6.30 p.m. shall be deemed to be received by the Issuer at 8.00 a.m. on the following Issuer Business Day, unless the Issuer agrees to treat that Settlement Redemption Form as having been received prior to the Notice Deadline in which case it shall be deemed to have been received by the Issuer prior to the Notice Deadline.
- 7.12 Within one Business Day after the last Pricing Date in respect of any Settlement Redemption Form, the Issuer shall notify the relevant Security Holder of the Redemption Amount payable in respect of that Settlement Redemption Form, determined as provided above.
- 7.13 The Issuer may change or vary the procedures for the lodgement of Settlement Pricing Forms and these Conditions shall be modified in respect of Redemptions using Settlement Pricing to the extent of any such change or variation.

Agreed Pricing

- 7.14 A Commodity Contract Counterparty and an Authorised Participant may submit an Agreed Redemption Form to the Issuer (either jointly, or in separate notices). An Agreed Redemption Form is conclusive evidence that the Commodity Contract Counterparty and the Authorised Participant have agreed upon the Redemption by the Issuer of a number and class of Short or Leveraged Commodity Securities specified in the notice(s), and the US Dollar

amount which is the Redemption Amount for those Short or Leveraged Commodity Securities.

7.15 If a Commodity Contract Counterparty and an Authorised Participant purport to send an Agreed Redemption Form by separate notices:

- (a) which are inconsistent with one another in relation to any of the items referred to in Condition 7.17(a), 7.17(b) or 7.17(c); or
- (b) one of which is invalid under Condition 7.17,

those notices shall not constitute a valid Agreed Redemption Form and the Issuer shall reject the notices and advise that Commodity Contract Counterparty and that Authorised Participant accordingly.

7.16 Where an Agreed Redemption Form is submitted by separate notices from the Authorised Participant and a Commodity Contract Counterparty, the Issuer shall be deemed to have received the Agreed Redemption Form at the time that it is deemed to receive the second of the two notices.

7.17 An Agreed Redemption Form shall be invalid in the circumstances specified in Condition 7.19(c) or if it does not set out:

- (a) the number and class of Short or Leveraged Commodity Securities to be Redeemed;
- (b) the Redemption Amount for that Redemption (stated as a total amount); and
- (c) the Redemption Payment Date for that Redemption, which shall be not earlier than two London Business Days following the day on which the Agreed Redemption Form is deemed received by the Issuer.

Suspension of Redemptions

7.18 If the Price of a class of Short or Leveraged Commodity Security falls below its Principal Amount, the Issuer may at any time and from time to time while the Price in relation to such class is below such Principal Amount determine to suspend the right to Redeem the Short or Leveraged Commodity Securities of that class pursuant to Condition 7.1(a) and, subject as provided in this Condition 7.18, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- (a) the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- (b) any such suspension may continue in the discretion of the Issuer for a period of up to 30 days, and may continue thereafter provided that notice of a meeting has been issued convening a meeting for a date not more than 30 days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the Price, in which event the suspension will cease when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution;
- (c) any suspension shall not affect any Redemption the Pricing Date for which had passed before the suspension commenced, but any Settlement Redemption Form lodged or deemed received on an Issuer Business Day when the right to Redeem

Short or Leveraged Commodity Securities of that class pursuant to Condition 7.1(a) is suspended pursuant to this Condition shall be invalid; and

- (d) if the right to Redeem Short or Leveraged Commodity Securities of that class pursuant to Condition 7.1(a) is suspended pursuant to this Condition as at 6.30 p.m. on the second Issuer Business Day prior to a Compulsory Redemption Date for that class pursuant to Condition 8.6, then notwithstanding that a number of Short or Leveraged Commodity Securities of that class may have been specified pursuant to that Condition which is not all of those Short or Leveraged Commodity Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Short or Leveraged Commodity Securities of that class.

7.19 If the Issuer is considering exercising its power under Condition 18.3 to divide any Pool, or has determined to exercise such power, it may determine to suspend the right to Redeem the Short or Leveraged Commodity Securities of the class attributable to such Pool under Condition 7.1(a) and Condition 7.1(b) and, subject as provided in this Condition 7.19, may terminate any such suspension. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- (a) the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- (b) any such suspension may continue in the discretion of the Issuer for a period of up to 30 days but (without prejudice to Condition 8.4) shall terminate when either the Issuer has determined to divide such Pool and such division has become effective or the Issuer has announced via an RIS that it has determined not to divide such Pool; and
- (c) any suspension shall not affect any Redemption the Pricing Date for which had passed before the suspension commenced, but any Settlement Redemption Form or Agreed Redemption Form lodged or deemed received on an Issuer Business Day when the right to Redeem Short or Leveraged Commodity Securities of that class is suspended pursuant to this Condition shall be invalid.

8. COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

Compulsory Redemption on Termination

8.1 The Issuer may at any time (upon not less than seven days' notice in the case of (a) below, not less than thirty days' notice in the case of (b) below) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for all Short and Leveraged Commodity Securities, or all Short or Leveraged Commodity Securities of any one or more class, if:

- (a) notice is given by either party thereto terminating a Facility Agreement or nominating a compulsory pricing date thereunder in respect of all Commodity Contracts created thereunder; or
- (b) the Issuer elects to Redeem all Short and Leveraged Commodity Securities, or all Short or Leveraged Commodity Securities of any one or more class,

provided that a notice given under paragraph (b) may be withdrawn until the date not later than seven days prior to the date nominated to be the Compulsory Redemption Date so long as there remains in effect at least one Facility Agreement pursuant to which subsequent to that date Commodity Contracts of the same class as such Short and Leveraged Commodity Securities may be created.

8.2 If a Counterparty Event of Default or an Issuer Insolvency Event has occurred and is continuing, the Trustee may at any time, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of the last signature) of the affected Short and Leveraged Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Short and Leveraged Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured to its satisfaction, give notice to the Issuer that all the affected Short and Leveraged Commodity Securities outstanding are required to be Redeemed and nominating an Issuer Business Day falling not less than 20 Issuer Business Days (or two Issuer Business Days in the case of an Issuer Insolvency Event) from the giving of such notice to be a Compulsory Redemption Date, and for this purpose “affected Short and Leveraged Commodity Securities” means, in the context of an Issuer Insolvency Event, all of them, and, in the context of a Counterparty Event of Default, those Short and Leveraged Commodity Securities that are attributable to the Pool or Pools which include rights against that particular Commodity Contract Counterparty.

8.3 If a Compulsory Redemption Date is nominated by the Issuer pursuant to Condition 8.1(a) in relation to any Short or Leveraged Commodity Securities following notice having been given by the Issuer to terminate a Facility Agreement or to nominate a compulsory pricing date thereunder by reason of a Counterparty Event of Default and, prior to the Compulsory Redemption Date, the Issuer has either:

- (a) determined to divide a Pool to which outstanding Commodity Contracts created under that Facility Agreement are attributable by allocating all such Commodity Contracts to the New Pool in accordance with Condition 18.3; or
- (b) announced by an RIS its intention to do so or that it is considering doing so,

the Issuer may determine that the Redemption pursuant to Condition 8.1(a) shall not apply to the Short or Leveraged Commodity Securities attributable to that Pool but shall apply (*mutatis mutandis*) to the New Short or Leveraged Commodity Securities attributable to such new Pool and otherwise on the basis of this Condition 8. If in the case of paragraph (b) such division shall not have become effective within 30 days of such announcement, this Condition shall cease to have effect. The Issuer shall give notice of any determination made pursuant to this Condition 8.3 via an RIS as soon as practicable, but failure to give any such notice shall not prevent the exercise of its powers hereunder.

8.4 If a Facility Agreement has been terminated, or notice of a compulsory pricing date thereunder by reason of a Counterparty Event of Default has been given, then no further Redemption Forms in respect of Short or Leveraged Commodity Securities attributable to a Pool to which outstanding Commodity Contracts created under that Facility Agreement are attributable, given on or after the date of such termination or given or deemed given after the date of such notice shall be effective unless and until whichever occurs earlier of:

- (a) the Issuer has determined to divide such Pool as referred to in Condition 8.3 and such division has become effective; and
- (b) if the Issuer has announced by an RIS that Redemption Forms given after, or on or after, the date specified in such announcement will be effective, the date determined in accordance with such announcement. Any such announcement may be general or subject to conditions and any Redemption Form which would not be effective in the absence of such announcement shall not be effective if it is not in accordance with such conditions.

Compulsory Redemption due to Index Disruption

- 8.5 The Issuer may at any time (upon not less than thirty days' notice) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for all Short or Leveraged Commodity Securities of a particular class if:
- (a) a Commodity Index which relates to that class of Short or Leveraged Commodity Securities is no longer calculated and published in accordance with the Handbook and the Calculation Agent gives notice to the Issuer under a Facility Agreement of its intent to discontinue calculation and notification of that Commodity Index to the Issuer under that Facility Agreement; or
 - (b) non-calculation or non-publication of a Commodity Index which relates to that class of Short or Leveraged Commodity Securities for any reason continues for a continuous period of thirty days, and a Commodity Contract Counterparty and the Issuer are unable to reach agreement on a permanent replacement mechanism or amendments to the relevant Facility Agreement to give effect to that mechanism.

Compulsory Redemption due to Hedging Disruption

- 8.6 The Issuer may at any time (upon not less than thirty days' notice) by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date for a particular class of Short or Leveraged Commodity Securities, if as a consequence of a Hedging Disruption Event a Commodity Contract Counterparty or any of its Affiliates is required by law or by the order of a regulatory authority having jurisdiction to close hedging positions (if any) which a Commodity Contract Counterparty (acting reasonably) attributes to the hedging of its obligations in connection with the relevant Facility Agreement or Commodity Contracts of the same class. Any such notice may specify a number of Short or Leveraged Commodity Securities (which may not be all of those Short or Leveraged Commodity Securities) to be redeemed in consequence of such notice and if in relation to any particular class of Short or Leveraged Commodity Securities the Issuer does not redeem all the outstanding Short or Leveraged Commodity Securities they will be redeemed in accordance with Condition 8.13 *pro rata* to holdings on the relevant Register as at the Compulsory Redemption Date. Any nomination of a Compulsory Redemption Date by the Issuer under this Condition 8.6 in relation to less than all of the Short or Leveraged Commodity Securities of a particular class is subject to Condition 7.18.

Compulsory Redemption on a fall in the Price relative to the Principal Amount

- 8.7 If on any Pricing Day the Price of any class of Short or Leveraged Commodity Security falls to 2.5 times the Principal Amount of such Short or Leveraged Commodity Security or below, the Issuer may at any time, for so long as the Price continues to be less than 2.5 times the Principal Amount of such Short or Leveraged Commodity Security and during the period 60 days thereafter, upon not less than 2 days' notice by RIS announcement nominate an Issuer Business Day to be a Compulsory Redemption Date in respect of that class of Short or Leveraged Commodity Security and subject to Condition 3.2 investors will receive a sum on such Compulsory Redemption calculated in accordance with Condition 8.13. The right to nominate an Issuer Business Day to be a Compulsory Redemption Date to this Condition 8.7 shall cease if an Extraordinary Resolution is passed which has the effect of reducing the Principal Amount to a level less than two-fifths of the Price, but this is without prejudice to any subsequent nomination pursuant to this Condition if on any Pricing Day the Price of that class of Short or Leveraged Commodity Security falls to 2.5 times the Principal Amount (as so reduced) of such Short or Leveraged Commodity Security or below.

Compulsory Redemption when Intra-day Price falls to zero

- 8.8 If the Calculation Agent notifies the Issuer that the Intra-day Price of Commodity Contracts of the same class as any Short or Leveraged Commodity Securities has fallen to or below zero at

any time during any Trading Day and a Commodity Contract Counterparty notifies the Issuer that Commodity Contracts of that class have been terminated then a number of Short or Leveraged Commodity Securities of such class equivalent to the number of Commodity Contracts of that class that have been terminated will automatically be subject to a Compulsory Redemption on that day and, subject to Condition 3.2, Security Holders in respect thereof will receive a sum calculated in accordance with Condition 8.13 as if a Compulsory Redemption Date had been notified in respect of such Short or Leveraged Commodity Securities. The Issuer will give notice via a RIS as soon as practicable upon being notified as described in the preceding sentence of this Condition 8.8, but no liability is assumed by the Issuer for any failure to give any such notice and failure to give any such notice shall not prejudice any Compulsory Redemption pursuant to the preceding sentence of this Condition 8.8 which shall have effect as provided therein whether or not, and irrespective of when, notice is given by the Issuer pursuant to this sentence. Where pursuant to this Condition not all outstanding Short or Leveraged Commodity Securities of a particular class will be redeemed on such day, they will be redeemed *pro rata* to holdings on the relevant Register as at that day.

Compulsory Redemption for cause

8.9 The Issuer may, in its absolute discretion, at any time by written notice to a Security Holder nominate an Issuer Business Day (being not less than seven Trading Days and not more than fourteen Trading Days following the date of the notice) to be a Compulsory Redemption Date in respect of Short and Leveraged Commodity Securities held by that Security Holder, if:

- (a) the Issuer required the Security Holder in accordance with Condition 13 to certify whether or not it is a Prohibited Benefit Plan Investor and (i) the Security Holder did not by the date specified in the notice given under Condition 13 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited Benefit Plan Investor; or
- (b) the Issuer required the Security Holder in accordance with Condition 13 to certify whether or not it is a Prohibited US Person and the (i) Security Holder did not by the date specified in the notice given under Condition 13 provide such a certification to the Issuer in the form and executed in the manner required or (ii) the Security Holder certified that it is a Prohibited US Person; or
- (c) the Issuer considers (in its sole discretion) (i) that such Short and Leveraged Commodity Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Short and Leveraged Commodity Securities, or (ii) that the ownership or holding or continued ownership or holding of those Short and Leveraged Commodity Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Security Holders which it or they might not otherwise have suffered or incurred,

provided that if the relevant Security Holder in the case of sub-paragraph (a)(i) or (b)(i) so failed to provide such a certification, or in the case of sub-paragraph (a)(ii) or (b)(ii) certified that it is a Prohibited Benefit Plan Investor or a Prohibited US Person, in each case in respect of some only of the Short and Leveraged Commodity Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Short and Leveraged Commodity Securities (and not any other Short or Leveraged Commodity Securities held by that Security Holder).

8.10 If a Security Holder which is the subject of a notice under Condition 8.9 provides to the Issuer prior to the Notice Deadline proof required by the Issuer that its Short and Leveraged

Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Short and Leveraged Commodity Securities referred to in that notice shall not be redeemed under these Conditions.

- 8.11 If a Security Holder which is the subject of a notice under Condition 8.9 does not provide to the Issuer prior to the Notice Deadline proof required by the Issuer that its Short and Leveraged Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Short and Leveraged Commodity Securities referred to in that notice shall not be capable of being transferred by that Security Holder and the Issuer shall not be required to register any purported transfer of those Short and Leveraged Commodity Securities.
- 8.12 The Issuer shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with this Condition 8. The exercise of the powers conferred by this Condition 8 shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of the Short and Leveraged Commodity Securities, or any other grounds save that such powers shall have been exercised in good faith.

Compulsory Redemptions

- 8.13 Where a Compulsory Redemption Date is notified in accordance with these Conditions other than pursuant to Condition 8.9, in respect thereof:
- (a) the Issuer shall, no later than 8.00 a.m. on the Compulsory Redemption Date, by RIS announcement publish the Compulsory Daily Pricing Number of Short and Leveraged Commodity Securities of each relevant class to be priced on successive Pricing Days for each class commencing on the Compulsory Redemption Date;
 - (b) on the Compulsory Redemption Date and on any required succeeding Pricing Day the applicable Compulsory Number Priced for each class of Short or Leveraged Commodity Securities to which the Compulsory Redemption Date relates shall be priced until Short or Leveraged Commodity Securities of that class (including, in the case of a Compulsory Redemption Date notified in accordance with Condition 8.6, all those Short or Leveraged Commodity Securities that have previously been deducted from the Compulsory Daily Pricing Number for that class pursuant to the proviso contained in the definition of “Compulsory Number Priced” in connection with that Compulsory Pricing Date) in a number equal to the Compulsory Redemption Number for that class have been priced;
 - (c) on the Redemption Payment Date for such Compulsory Redemption the Issuer shall (subject to the Security Holder depositing the Short and Leveraged Commodity Securities in question into an appropriate CREST account or otherwise delivering such Short and Leveraged Commodity Securities to the Issuer by agreement with the Issuer) pay into the appropriate Redemption Account(s) the sum of the Prices or, if higher in each case but not in aggregate (but subject to Condition 3.2), the Principal Amounts of all Short and Leveraged Commodity Securities thereby priced together with an amount equivalent to interest thereon calculated at the rate of the Capital Adjustment then prevailing, in each case from
 - (i) if the Pricing Day on which that Price was determined is prior to the T+2 Implementation Date, the third London Business Day following the Pricing Day on which that Price was determined (*provided that* if either that day or the preceding London Business Day is not also a New York Business Day then from the Business Day next following the day from which it would have been calculated but for this proviso); and

- (ii) if the Pricing Day on which that Price was determined is on or after the T+2 Implementation Date, the second London Business Day following the Pricing Day on which that Price was determined (*provided that* if either that day or the preceding London Business Day is not also a New York Business Day then from the Business Day next following the day from which it would have been calculated but for this proviso),

in each case until and including the Redemption Payment Date;

- (d) each Redemption Account shall be credited with the relevant Security Holder's *pro-rata* share of the sum of the Prices or, if higher in each case but not in aggregate (but subject to Condition 3.2), the Principal Amounts of all Short and Leveraged Commodity Securities thereby priced (and the Issuer shall be under no obligation to make payment of the amount so priced until that amount shall have been determined); and
- (e) upon payment in full of that amount all such Short and Leveraged Commodity Securities which were so priced shall be cancelled.

8.14 Where a Compulsory Redemption Date is notified to a Security Holder in accordance with Condition 8.9:

- (a) the Redemption Amount with respect to such Redemption shall be the amount (in US Dollars) equal to the sum of the Prices for the relevant Short and Leveraged Commodity Securities determined in accordance with paragraph (b);
- (b) on the Compulsory Redemption Date and on any required succeeding Pricing Day the applicable Compulsory Number Priced of each class of Short and Leveraged Commodity Securities shall be priced until Short and Leveraged Commodity Securities of that class in a number equal to the Compulsory Redemption Number for that class have been priced; and
- (c) within three Business Days of the Redemption Payment Date for such Compulsory Redemption the Issuer shall (subject to the Security Holder depositing the Short and Leveraged Commodity Securities in question into an appropriate CREST account or otherwise delivering such Short and Leveraged Commodity Securities to the Issuer in such manner as may be agreed by the Issuer or otherwise all such Short and Leveraged Commodity securities being cancelled to the satisfaction of the Issuer) pay into the appropriate Redemption Account(s) the Redemption Amount.

9. SETTLEMENT OF REDEMPTION AMOUNTS

9.1 Where a Redemption Form has been given for the Redemption of Short or Leveraged Commodity Securities, the Security Holder which holds those Short or Leveraged Commodity Securities which are the subject of that Redemption must deposit the Short or Leveraged Commodity Securities in question into an appropriate CREST account and give correct delivery versus payment instructions in accordance with the Redemption Notice if they were in Uncertificated Form, or otherwise deliver the Short or Leveraged Commodity Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree if they are in Certificated Form. Once a valid Redemption Form is given in respect of Short or Leveraged Commodity Securities, unless the Redemption Form is validly withdrawn (in accordance with Condition 7.9) the Short or Leveraged Commodity Securities in respect of which it was given may not be transferred by the Security Holder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Short or Leveraged Commodity Securities.

- 9.2 Failure by a Security Holder to deposit those Short or Leveraged Commodity Securities into an appropriate CREST account and give correct delivery versus payment instructions shall not invalidate the Redemption of those Short or Leveraged Commodity Securities. Where settlement of a Redemption of Short or Leveraged Commodity Securities is delayed due to the failure of the Security Holder to deposit the Short or Leveraged Commodity Securities in question into an appropriate CREST account or give correct delivery versus payment instructions or otherwise deliver such Short or Leveraged Commodity Securities and any certificates representing them in a manner agreed by the Issuer, the Security Holder shall not be entitled to any interest on the Redemption Amount after the Redemption Payment Date. If the Security Holder fails to deliver such Short or Leveraged Commodity Securities to the Issuer (via the CREST system or another method agreed with the Issuer), the Issuer shall be entitled to pay the Redemption Amount in respect thereof into the Trustee's Redemption Account (to be held on trust for the Security Holder), and to cancel the entry in the Register in respect of those Short or Leveraged Commodity Securities.
- 9.3 Where Short or Leveraged Commodity Securities are Redeemed in accordance with Condition 8, the Issuer shall be entitled, upon payment of the Redemption Amount (less the Redemption Fee, if applicable) into the applicable Redemption Account to cancel the entry in the Register in respect of those Short or Leveraged Commodity Securities being Redeemed.
- 9.4 Save to the extent that the proviso to Condition 7.2 applies, payment of the Redemption Amount (less any applicable Redemption Fee deducted under Condition 10) into the applicable Redemption Account on the Redemption Payment Date is in full satisfaction of all liability which the Issuer has to Security Holders in respect of the Short or Leveraged Commodity Securities which have been Redeemed.
- 9.5 The Issuer may, at any time, notify a Security Holder that a Commodity Contract Counterparty may have to withhold or deduct from a payment for a Commodity Contract Termination that corresponds to any Redemption by that Security Holder an amount for or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Short or Leveraged Commodity Securities that may allow the Commodity Contract Counterparty to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer and the relevant Commodity Contract Counterparty by the relevant Security Holder or if it is not the beneficial owner of Short or Leveraged Commodity Securities held by such Security Holder and which are to be redeemed, then any such payment will be reduced (and the matching obligation of the Issuer to pay any Redemption Amount to that Security Holder will also be reduced) by the amount of the withholding or deduction. If there is more than one Commodity Contract Counterparty, the Issuer shall not be under any obligation to select the Commodity Contract Counterparty to whom the Commodity Contract Termination relates with a view to minimising or avoiding any such withholding or deduction or otherwise and shall have no liability to Security Holders in respect of any such selection or otherwise in relation to any such withholding or deduction.
- 9.6 The Redemption of Short or Leveraged Commodity Securities by the Issuer pursuant to the occurrence of a Listing Failure, and delivery of Short or Leveraged Commodity Securities by an Authorised Participant in connection therewith, shall be effected in accordance with the procedures set out in the applicable Authorised Participant Agreement.
- 9.7 The Issuer may give such directions to the Security Holder as appear to the Issuer to be necessary to enable the settlement of any payment or delivery to be made by it pursuant to this Condition.

10. REDEMPTION FEE

- 10.1 Subject as provided below, it is a condition to the performance by the Issuer of the obligation to Redeem Short and Leveraged Commodity Securities that the Issuer may deduct the Redemption Fee from the Redemption Amount and that if it does not the Security Holder of such Short and Leveraged Commodity Securities shall pay to the Issuer the Redemption Fee in respect of such Redemption in accordance with this Condition 10. The Issuer may offset the amount of the Redemption Fee payable hereunder against the Redemption Amount payable to the Security Holder.
- 10.2 On a Redemption of Short and Leveraged Commodity Securities at the request of an Authorised Participant, the Redemption Fee shall be the amount agreed in the relevant Authorised Participant Agreement to be payable, or such other amount as may be agreed by the Issuer and that Authorised Participant at the time of the Redemption, regardless of the number of Short and Leveraged Commodity Securities being redeemed.
- 10.3 On a Redemption of Short and Leveraged Commodity Securities at the request of a Security Holder who is not an Authorised Participant (where there are no Authorised Participants), the Redemption Fee shall be an amount equal to the cost to the Issuer of satisfying such Redemption request, which shall be notified to the Security Holder at the time of the Redemption being not greater than £500 or such other amount as may be notified through a RIS.
- 10.4 On a Compulsory Redemption of Short and Leveraged Commodity Securities by the Issuer or at the request of the Trustee, the Redemption Fee shall be an amount equal to the cost to the Issuer incurred in relation to the Redemption, including the costs of enquiries under Condition 13 and the cost of giving notices under Condition 8 being not greater than £500 or such other amount as may be notified through a RIS. The Issuer shall notify Security Holders whose Short and Leveraged Commodity Securities are subject to Compulsory Redemption of the amount of those costs, and their allocation to particular Security Holders, at the time of the Redemption.
- 10.5 The Issuer may set off any amount payable to the Issuer in accordance with this Condition 10 by the holder of Short and Leveraged Commodity Securities in respect of the Redemption Fee against the Redemption Amount payable by the Issuer to such holder.

11. INTEREST ON SETTLEMENT FAILURE

Following the occurrence of a Settlement Failure, interest shall accrue on any balance of the Redemption Amount not paid or otherwise discharged by or on behalf of the Issuer from the Settlement Failure Date. Such interest shall:

- (a) accrue at the Funding Rate from and including the Settlement Failure Date to but excluding:
- (i) if the Settlement Failure Date is prior to the T+2 Implementation Date, the date falling three Business Days after the Settlement Failure Date; or
 - (ii) if the Settlement Failure Date is on or after the T+2 Implementation Date, the date falling two Business Days after the Settlement Failure Date,
- and in each case thereafter at the Default Rate; and
- (b) cease to accrue on the date on which such balance is paid into the relevant Redemption Account.

12. SATISFACTION OF REDEMPTION FORMS BY TRANSFER

The Issuer may in its absolute discretion elect to satisfy Redemption Forms by transfer of the appropriate number of Short and Leveraged Commodity Securities to one or more Authorised Participant(s) from Security Holder(s) seeking Redemption, and for that purpose the Issuer may authorise any person on behalf of the Security Holder to execute one or more instruments of transfer in respect of the relevant number(s) of Short and Leveraged Commodity Securities provided that the amount payable to the Security Holder shall still be an amount equal to the relevant Redemption Amount (less the Redemption Fee) and the relevant Redemption Payment Day will be the date of the transfer(s).

13. ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

13.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:

- (a) to certify, no later than the date (the *Investor Notice Expiry Date*) falling fifteen Trading Days following the date on which the Issuer sends or transmits such requirement to that Security Holder whether that Security Holder is a Prohibited US Person or a Prohibited Benefit Plan Investor (and if that Security Holder is a Prohibited Benefit Plan Investor or Prohibited US Person, to notify the Issuer of the number and class of Short and Leveraged Commodity Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and
- (b) if that Security Holder asserts that it is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of all Short and Leveraged Commodity Securities held by it), to provide to the Issuer by the Investor Notice Expiry Date a certificate in the form and executed in the manner determined by the Issuer that the Security Holder is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of certain Short and Leveraged Commodity Securities held by it, specifying the number and class of Short or Leveraged Commodity Securities in respect of which it is, and is not, a Prohibited Benefit Plan Investor or is, and is not, a Prohibited US Person).

13.2 The Issuer may provide to any Commodity Contract Counterparty copies of any enquiries made by it under this Condition 13 and any responses received from the Security Holder.

13.3 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 13, to assume that none of the Short and Leveraged Commodity Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

14. CALCULATION AGENT

14.1 The Calculation Agent is appointed by the Issuer and each Commodity Contract Counterparty for the purposes of the relevant Facility Agreement (but not for the purposes of these Conditions, the Short and Leveraged Commodity Securities or the Trust Instrument):

- (a) to determine whether a Market Disruption Event exists and to make the determinations and calculations expressly contemplated in the definition of “Intra-day Price”;
- (b) if an Individual Commodity Index is not published for five or more consecutive Trading Days by reason of those Trading Days being Market Disruption Days in respect of that Individual Commodity Index or any Composite Commodity Index is not published for five or more consecutive Trading Days by reason of those Trading Days being Market Disruption Days in relation to any commodity the Settlement

- Price of which is used to determine that Composite Commodity Index, to calculate and provide to the Issuer in each case a substitute value for that Commodity Index on each subsequent Trading Day for as long as the Market Disruption Event continues;
- (c) if a Commodity Index is not published on a Trading Day for any reason other than that Trading Day being a Market Disruption Day in respect of that Commodity Index, to calculate and provide to the Issuer a substitute value for that Commodity Index for that Trading Day and for each subsequent Trading Day for as long as the non-publication continues; and
 - (d) to make the determinations and calculations provided for in Condition 7.10(d)(ii).
- 14.2 The Calculation Agent is or will be required under each relevant Facility Agreement (or any calculation agency agreement entered into by it in connection therewith) to act in good faith and in a commercially reasonable manner and in accordance with its obligations set out in that Facility Agreement (or such calculation agency agreement). Subject thereto, in the absence of manifest error the determinations of the Calculation Agent are final and conclusive.
- 14.3 Where for the purposes of each Facility Agreement the Calculation Agent calculates a substitute value for a Commodity Index it is or will be required to adopt and follow the following principles in making that calculation:
- (a) the substitute value shall be based on the Calculation Agent's determination of the fair market value at such time of the futures contracts underlying the Commodity Index based on factors the Calculation Agent deems relevant, including, but not limited to, prices in other commodity markets, any available electronic or after hours trading prices, related over-the-counter or other non-exchange based prices, implied prices that may be derived from other exchange traded instruments, and estimated fair values based on fundamental market information; and
 - (b) in determining the substitute value, the Calculation Agent shall have regard to relative movements in prices in other commodity futures markets for the same or similar commodities which were not affected by the Market Disruption Event or other event.
- 14.4 Where for the purposes of each Facility Agreement a substitute value for a Commodity Index is calculated by the Calculation Agent for a Trading Day, that substitute value shall be used in the calculation of the Price of Short or Leveraged Commodity Securities to which that Commodity Index is applicable for that Trading Day, in lieu of the Commodity Index.
- 14.5 If the Issuer provides copies to the Trustee of determinations notified to the Issuer by the Calculation Agent and/or notifies the Trustee (or any other person) of determinations made by the Calculation Agent, but it shall do so on the express basis that:
- (a) such copies and notifications are provided to the Trustee for information purposes only;
 - (b) neither the Trustee nor any holder or potential holder of Short or Leveraged Commodity Securities shall be entitled to rely as against the Calculation Agent upon any determination of the Calculation Agent; and
 - (c) no duty shall be owed by the Calculation Agent to the Trustee or any holder or potential holder of Short and Leveraged Commodity Securities in connection with any such determination.

15. ENFORCEMENT

- 15.1 In addition to any of the powers conferred on the Trustee pursuant to the Security Deed with respect to the Secured Property, the Trustee may at any time:
- (a) after the occurrence of a Defaulted Obligation, at its discretion, and shall, if so directed in writing by the Security Holder to whom such Defaulted Obligation is owed, the Trustee having first been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any such obligation of the Issuer under the Trust Instrument and the security constituted by the Security Deed(s) in respect of the relevant Short and Leveraged Commodity Securities to which such Defaulted Obligation relates; and
 - (b) if a Counterparty Event of Default and/or an Issuer Insolvency Event has occurred and is continuing, at its discretion, and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Price (as at the date of the last signature or, if no Price was determined on such date the most recently determined Price) of the affected Short and Leveraged Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Short or Leveraged Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, take such proceedings and/or other action as it may think fit against or in relation to the Issuer to enforce any obligations of the Issuer under the Trust Instrument and the security constituted by the Security Deed(s) in respect of all affected and outstanding Short or Leveraged Commodity Securities and for this purpose (and Condition 15.3) “affected Short or Leveraged Commodity Securities” means, in the context of an Issuer Insolvency Event, all of them, and, in the context of a Counterparty Event of Default, those Short or Leveraged Commodity Securities that are attributable to the Pool or Pools which include rights against that particular Commodity Contract Counterparty.
- 15.2 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment obligations) in the Trust Instrument and has not remedied the same within 30 calendar days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within 7 calendar days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the **Breach Redemption Period**) commencing on any General Trading Day until the date one month from such General Trading Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Short and Leveraged Commodity Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.
- 15.3 In the event that at any time during the Breach Redemption Period the right to Redeem Short or Leveraged Commodity Securities of any class pursuant to Condition 7.1(a) is suspended pursuant to Condition 7.18 or the right to Redeem Short or Leveraged Commodity Securities of any class is suspended pursuant to Condition 7.19, then the right to Redeem Short or Leveraged Commodity Securities of that class pursuant to Condition 15.2 shall be suspended in like manner and the provisions of Condition 7.18(c) or Condition 7.19(c) (as the case may be) shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 7.18 or

Condition 7.19 (as the case may be), the right to Redeem Short or Leveraged Commodity Securities of that class pursuant to Condition 15.2 shall resume and the Breach Redemption Period in respect of that class shall continue until the date one month from the date on which the suspension so ceased.

- 15.4 If a Counterparty Event of Default and/or an Issuer Insolvency Event is occurring at the same time as a Defaulted Obligation, a Security Holder holding affected Short and Leveraged Commodity Securities to whom a Defaulted Obligation is owed will not be entitled to require the Trustee to take action in accordance with Condition 15.1(a) until the expiry of 30 calendar days from the occurrence of the Counterparty Event of Default and/or Issuer Insolvency Event, nor shall he be so entitled if, during such period of 30 calendar days, the Trustee has elected, or been required, to take action in accordance with Condition 15.1(b).
- 15.5 Subject to Condition 15.7, only the Trustee may enforce the provisions of the Trust Instrument or the Security Deeds. Where the Trustee has elected or been directed to enforce the Issuer's obligations under the Trust Instrument and the security constituted by a Security Deed, the right of Security Holders to lodge a Redemption Form with the Issuer shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to enforce the security (the *Election Date*) will be Redeemed in the normal manner. The Price for all Short or Leveraged Commodity Securities of a particular class outstanding at the Election Date will be the average Redemption Amount of the remaining Short or Leveraged Commodity Securities of that class.
- 15.6 If the Trustee takes any action pursuant to Condition 15.1 with respect to any Short and Leveraged Commodity Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such Short and Leveraged Commodity Securities in respect of which such action is taken are, and they shall become, due and payable at their Redemption Amount, calculated in accordance with Condition 7.1 (*Redemption Entitlement*).
- 15.7 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee is entitled to exercise against or in relation to the Issuer.

16. APPLICATION OF MONEYS

All moneys received by the Trustee pursuant to the realisation of Secured Property in respect of a particular class of Short or Leveraged Commodity Securities shall be held by the Trustee upon trust, to apply them:

- (a) FIRST in payment or satisfaction of all amounts then due to the Trustee and unpaid (including to its attorneys, managers, agents, delegates or other person appointed by the Trustee) under terms of the Trust Instrument, and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the relevant Security Deed;
- (b) SECONDLY in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of Short and Leveraged Commodity Securities of that class; and
- (c) THIRDLY in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

17. RESTRICTIONS

So long as any Short and Leveraged Commodity Securities of a particular class are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:

- (a) not to incur or permit to subsist in respect of any Pool any indebtedness for borrowed money other than Short and Leveraged Commodity Securities or Further Securities, and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
- (b) other than as permitted under the applicable Security Deed, not to dispose of any of the Secured Property or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;
- (c) not to undertake any business save for the issue and redemption of Short and Leveraged Commodity Securities, the acquisition and disposal of Commodity Contracts, the issue and redemption of Classic and Longer Dated Securities (and any other securities constituted by the Classic and Longer Dated Trust Instrument) and the acquisition and disposal of Commodity Contracts (as defined in the Classic and Longer Dated Trust Instrument) and in each case entering into the necessary documents and performing its obligations and exercising its rights thereunder;
- (d) to use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- (e) not to issue any Short or Leveraged Commodity Securities of any class unless it has purchased Commodity Contracts with corresponding terms and in an aggregate matching Redemption Amount;
- (f) not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in any jurisdiction other than Jersey;
- (g) not to make any election under U.S. federal income tax laws to be treated otherwise than as an association taxable as a corporation for U.S. federal income tax purposes;
- (h) to undertake any business so as to seek to minimise the impact of taxation;
- (i) to procure that the Pools are at all times maintained in a manner so that they are readily distinguishable from each other and from any other pool to which any other class of securities of the Issuer is attributable (including but not limited to any Pool (as defined for the purposes of the Classic and Longer Dated Trust Instrument)); and
- (j) to exercise its rights in respect of any Collateral in any circumstance where such rights become exercisable and there are amounts due from the relevant Commodity Contract Counterparty and unpaid.

18. FURTHER SECURITIES; OTHER POOLS; TRANSFERS TO NEW POOLS; CONSOLIDATION AND DIVISION

- 18.1 Subject to its ability to create corresponding Commodity Contracts, the Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to this Trust Instrument and may establish additional pools for the purposes of such securities and the Trustee shall join in such instrument or deed and thereupon such pool shall be a "Pool" for

the purposes of the Trust Instrument and such securities shall be Short or Leveraged Commodity Securities for such purposes. Any such additional classes of Short and Leveraged Commodity Securities shall have recourse only to the Pool attributable to the relevant class and not to any other Pool. Other such securities created and issued by the Issuer under this Condition 18.1 may relate to different commodities than those in respect of which Short and Leveraged Individual Securities are initially issued, or involve the same commodities but different commodity indices, or be Short and Leveraged Index Securities involving different composite commodity indices, or have different Leverage Factors. Other such securities created by the Issuer under this Condition 18.1 may be created and issued subject to different terms and conditions in lieu of the Trust Instrument (including but not limited to different pricing mechanisms), to be determined by the Issuer. If other securities issued by the Issuer under this Condition 18.1 are subject to different terms and conditions in lieu of the Trust Instrument the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.

- 18.2 The Issuer shall not accept Applications for, or issue, Short or Leveraged Commodity Securities of a new class under Condition 18.1 unless it has first (a) created corresponding Commodity Contracts under the terms of a Facility Agreement and (b) executed and delivered to the Trustee a Security Deed assigning by way of security, for the benefit of the Trustee and the relevant Security Holders, the contractual rights of the Issuer under each commodity contract of the relevant class and creating a first floating charge, for the benefit of the Trustee and the relevant Security Holders, over the rights of the Issuer under that facility agreement (to the extent that it relates to such class), commodity contracts of that class created under it and any Guarantee supporting the obligations of the relevant Commodity Contract Counterparty to the Issuer to the extent that they apply to payments due in respect of that new class, for the benefit of the Trustee and the relevant Security Holders.
- 18.3 The Issuer may at any time (without the consent of the Security Holders and without giving prior notice) determine to divide any Pool (the **Existing Pool**) by allocating some of the Secured Property attributable to that existing Pool to a new Pool (the **New Pool**). If it determines to do so, the following shall apply:
- (a) the Issuer may only transfer all (and not merely some) of the Commodity Contracts with any one Commodity Contract Counterparty attributable to that Pool;
 - (b) prior to or on the transfer becoming effective, the Issuer shall create undated limited recourse secured securities (**New Short or Leveraged Commodity Securities**) of a new class referable to the same Commodity Index and otherwise on the same terms as the Short or Leveraged Commodity Securities attributable to the Existing Pool (the **Existing Short or Leveraged Commodity Securities**), each having a principal amount and Price determined in accordance with Condition 18.3(c) constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Short or Leveraged Commodity Securities) and on terms that such New Short or Leveraged Commodity Securities shall have recourse only to the assets attributable to the New Pool, and (subject as provided in paragraph (e)) shall issue such New Short or Leveraged Commodity Securities to the Security Holders of the Existing Short or Leveraged Commodity Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Short or Leveraged Commodity Security for each Existing Short or Leveraged Commodity Security then held. For this purpose (but subject as provided in paragraph (e)) any Short and Leveraged Commodity Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding;

- (c) the principal amount and Price of each New Short or Leveraged Commodity Security shall (subject as provided in paragraph (e)) be the proportion of the principal amount and Price respectively, of each Existing Short or Leveraged Commodity Security outstanding immediately prior to the transfer becoming effective (including any calculation made of the Price for that day in accordance with Condition 5) that the aggregate Price of the Commodity Contracts to be transferred bears to the aggregate Price of the Commodity Contracts attributable to the Existing Pool, and on the creation and issue of the New Short or Leveraged Commodity Securities becoming effective the principal amount and Price of each Existing Short or Leveraged Commodity Security shall be reduced accordingly;
- (d) the Issuer shall enter into a Security Deed with the Trustee in relation to the assets attributable to the New Pool to secure the New Short or Leveraged Commodity Securities which shall be on the same terms (*mutatis mutandis*) as the Security Deed (the **Existing Security Deed**) in relation to the Existing Pool, and the Trustee shall release the property to be transferred from the Existing Security Deed; and
- (e) any valid Redemption Form received or deemed received prior to (and being in respect of Short or Leveraged Commodity Securities which have not by then been Redeemed and in respect of which the Redemption Amount has not been paid in accordance with Condition 9):
 - (i) in a case where in respect of the Existing Short or Leveraged Commodity Securities notice of a Compulsory Redemption Date has been given under Condition 8.2 prior to such division becoming effective, the date on which such notice of a Compulsory Redemption Date was given;
 - (ii) in a case where in respect of the relevant Existing Short or Leveraged Commodity Securities notice of a Compulsory Redemption Date has been given (either following the giving of notice by the Issuer to nominate a compulsory pricing date under a Facility Agreement following a Counterparty Event of Default or the giving of notice by a Commodity Contract Counterparty to nominate a compulsory pricing date under its Facility Agreement as a result of a Guarantor Tax Event (as defined in any applicable Guarantee)) under Condition 8.1(a) prior to such division becoming effective, the date on which notice of the Compulsory Redemption Date was given;
 - (iii) in any other case where in respect of the relevant Existing Short or Leveraged Commodity Securities, notice of a Compulsory Redemption Date has been given prior to such division becoming effective, the Compulsory Redemption Date; and
 - (iv) in any other case, the date on which such division becomes effective,

and in each case being valid notwithstanding Condition 7.8(g) and Condition 8.4, shall have effect as if given in respect either of the Existing Short or Leveraged Commodity Securities or of the New Short or Leveraged Commodity Securities dependent upon the Commodity Contract Counterparty (the **Relevant Counterparty**) to whom a Cancellation Notice (as defined in the Facility Agreement) (the **Relevant Cancellation Notice**) had been delivered under a Facility Agreement for the purposes of the Redemption intended to be effected pursuant to such Redemption Form as determined in its absolute discretion by the Issuer. Accordingly:

- (i) for the purposes of the calculations to be made in accordance with paragraph (c), Commodity Contracts the subject of all Relevant Cancellation

Notices shall be excluded, and the principal amounts and Prices referred to therein shall be calculated as though all such Commodity Contracts had been terminated;

- (ii) for the purposes of the calculations to be made in accordance with paragraph (c), Commodity Contracts that have been created for the purposes of an Application that has not been completed by the issue of Short or Leveraged Commodity Securities shall be excluded, and the principal amounts and Prices referred to therein shall be calculated as though all such Commodity Contracts had not been created; and
- (iii) each Security Holder from whom such a Redemption Form in respect of Existing Short or Leveraged Commodity Securities was received or deemed received shall not be issued New Short or Leveraged Commodity Securities as provided in paragraph (b) and instead each of the Existing Short or Leveraged Commodity Securities to which such Redemption Form relates shall be divided into Existing Short or Leveraged Commodity Securities or New Short or Leveraged Commodity Securities as are attributable to the Pool to which Commodity Contracts with the Relevant Counterparty are attributable immediately following the transfer becoming effective, each such Existing Short or Leveraged Commodity Security ranking *pari passu* with and having the same principal amount and Price as the other Existing Short or Leveraged Commodity Securities of that class as reduced in accordance with paragraph (c) and each such New Short or Leveraged Commodity Security ranking *pari passu* with and having the same principal amount and Price as the other New Short or Leveraged Commodity Securities of that class, and each such Security Holder shall hold upon such division becoming effective such number as nearly as practicable (rounded down to the nearest whole number) of Existing Short or Leveraged Commodity Securities or New Short or Leveraged Commodity Securities (as the case may be) as has the same aggregate principal amount as had the Existing Short or Leveraged Commodity Securities in respect of which the Redemption Form related immediately prior to the division becoming effective.

18.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Short or Leveraged Commodity Securities of any class into Short or Leveraged Commodity Securities of the same class but with a proportionately larger or smaller Principal Amount and Price. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.

18.5 Whenever as a result of consolidation of Short or Leveraged Commodity Securities a Security Holder would become entitled to a fraction of a Short or Leveraged Commodity Security the Issuer will Redeem such fraction of a Short or Leveraged Commodity Security.

19. ISSUER'S ABILITY TO PURCHASE SHORT AND LEVERAGED COMMODITY SECURITIES

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase Short and Leveraged Commodity Securities.

20. LISTING

The Issuer covenants in the Trust Instrument to use its best endeavours to obtain and, so long as any of the Short and Leveraged Commodity Securities remain outstanding, maintain a Listing for the Short and Leveraged Commodity Securities or, if it is unable to do so having used such best endeavours or if the maintenance of such listing is agreed by the Trustee to be

unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Short and Leveraged Commodity Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

21. WAIVER, AUTHORISATION AND DETERMINATION; MEETINGS OF SECURITY HOLDERS

21.1 The Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in these Trust Instruments or the Security Deeds, or determine that any Defaulted Obligation, Issuer Insolvency Event or Counterparty Event of Default shall not be treated as such PROVIDED THAT the Trustee shall not exercise any powers conferred on it by this Condition, (a) with respect to a Defaulted Obligation, in contravention of any express direction given by the Security Holder to whom such Defaulted Obligation is owed or (b) with respect to an Issuer Insolvency Event or any Counterparty Event of Default or any other breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument, in contravention of any express direction given by Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of the last signature) of the Short and Leveraged Commodity Securities (as a whole) then outstanding or an Extraordinary Resolution of the Security Holders (as a single class), but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.

21.2 Security Holders in respect of any class or classes of Short and Leveraged Commodity Securities have power by Extraordinary Resolution, inter alia, to sanction the release of the Issuer from the payment of moneys payable pursuant to the Trust Instrument, to sanction any modification, abrogation or compromise of, or arrangement in respect of, their rights against the Issuer, to assent to any modification or abrogation of the covenants or provisions contained in the Trust Instrument proposed or agreed to by the Issuer and also to sanction other matters as provided therein. The Trust Instrument contains provisions relating to the convening of meetings by the Issuer or the Trustee and provides that, except in the case of an adjourned meeting, at least fourteen calendar days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, shall be given to the Security Holders of the relevant class or classes. In the case of a meeting adjourned through want of a quorum, other than one convened at the requisition of Security Holders, at least seven calendar days' notice (exclusive as aforesaid) should be given unless the day, time and place for the adjourned meeting is specified in the notice convening the original meeting.

22. EXERCISE OF DISCRETIONS

The Trustee may exercise its discretions under the Trust Instrument separately in respect of each class of Short and Leveraged Commodity Securities, and any Further Securities in issue from time to time, and shall incur no liability for so doing.

23. PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

24. REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

- 24.1 The Trustee may retire at any time without assigning any reason upon giving not less than three months' prior written notice to the Issuer and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of the Trust Instrument.
- 24.2 The Issuer will use its reasonable endeavours to appoint a new Trustee as soon as reasonably practicable after the Trustee gives notice to its retirement or being removed by Extraordinary Resolution. The retirement or removal of any Trustee shall not become effective until a successor trustee is appointed.

25. GOVERNING LAW AND JURISDICTION

The Conditions, the Short and Leveraged Commodity Securities and the Trust Instrument are governed by the laws of Jersey. The Security Deeds are governed by the laws of England. Notwithstanding the submission to the jurisdiction of the English courts contained in the Security Deeds, nothing prevents the Trustee from commencing proceedings in any other competent jurisdiction.

26. TRUSTEE'S LIABILITY

Save in the case of fraud, wilful misconduct or gross negligence, the Trustee (or any director, officer or employee of the Trustee) shall have no liability under the Trust Instrument for a breach of trust and save in such circumstances, no Trustee (and no director, officer or employee of the Trustee) in execution of the trusts and powers under the Trust Instrument, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee.

27. AMENDMENTS TO CONDITIONS

These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Any amendment to these Conditions will, subject to Condition 28.7, be notified to Security Holders through an RIS announcement, and unless otherwise agreed by the Trustee shall not take effect until at least 30 calendar days following such announcement.

28. AMENDMENTS TO DOCUMENTS

- 28.1 Pursuant to the Trust Instrument, the Issuer covenants that it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where, in respect of a Facility Agreement, that amendment is at the election of the relevant Commodity Contract Counterparty to amend the terms of the Facility Agreement to substantially conform that Facility Agreement to another Facility Agreement entered into between the Issuer and another Commodity Contract Counterparty.
- 28.2 The Issuer may, without prejudice to Condition 28.4, by supplemental agreement or supplemental instrument or deed, as applicable, amend these Conditions, the Trust Instrument, any Security Deed(s) or any of the Trustee Consent Documents (in respect of Conditions (a), (d), (e) and (f) below without the consent of the Trustee) and the Trustee agrees in the Trust Instrument to join in a supplemental agreement or supplemental instrument or deed as applicable accordingly, if one or more of the following applies:
- (a) if the amendment is to substitute as debtor under a Facility Agreement or a Guarantee another person having an Acceptable Credit Rating;

- (b) in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- (c) in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- (d) the amendment is to substitute a different commodity index for one or more of the Commodity Indices and consequential changes provided that:
 - (i) corresponding adjustments have been agreed with each of the Commodity Contract Counterparties that have Commodity Contracts outstanding that refer to the relevant Commodity Index or Commodity Indices;
 - (ii) the adjustments so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Price of the Short or Leveraged Commodity Securities of that class or classes which are the subject of the substitution; and
 - (iii) the adjustments do not take effect until at least 30 calendar days have elapsed after they are announced to Security Holders in an RIS announcement;
- (e) the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different classes of Short or Leveraged Commodity Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each class of Short or Leveraged Commodity Security affected passed in accordance with the Trust Instrument;
- (f) Condition (e) above does not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with the Trust Instrument; or
- (g) the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory or other requirement of law (including as modified or applied in any respect to the Short and Leveraged Commodity Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the Trust Instrument or such Conditions, Security Deed or Trustee Consent Document.

28.3 In the case of an amendment to a Facility Agreement or an Authorised Participant Agreement, the amendment may not take effect for at least 30 calendar days (or five Issuer Business Days if the amendment is to be made pursuant to an obligation in the Facility Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein), following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.

28.4 Conditions 28.2 and 28.3 shall not apply to any amendment to the terms of a Facility Agreement which, under the terms thereof, is automatic or at the election of the relevant Commodity Contract Counterparty in the circumstances described in Condition 28.1.

28.5 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 28.2(a) by publishing a notice on a RIS at least 30 calendar days' prior to such amendment becoming effective.

28.6 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Conditions 28.2(e) and 28.2(f) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.

28.7 No notice need be given of any amendment as referred to in Conditions 28.2(b), (c) or (g) or 28.4 unless the Trustee otherwise requires.

29. NOTICES

29.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer or the Registrar under the Trust Instrument or pursuant to any other Document must be in writing in English.

29.2 All notices required or permitted to be given to a Security Holder under the Trust Instrument or pursuant to any other Trustee Consent Document shall be made by publication through a RIS where required under the terms of such document, but otherwise may be given by publication on the Issuer's Website.

29.3 All notices required to be given by the Issuer to Security Holders under the Trust Instrument or otherwise shall be given in writing, except to the extent that the notice relates to a meeting of Security Holders where, in relation to any Short and Leveraged Commodity Securities which are held in Uncertificated Form, the directors may from time to time permit notices of Security Holder meetings to be made by means of an electronic communication in the form of an Uncertificated Notice of Meeting in such form and subject to such terms and conditions as may from time to time be prescribed by the directors (subject always to facilities and requirements of CREST) and may in similar manner permit supplements, or amendments, to any such Uncertificated Notice of Meeting to be made by like means.

29.4 Any Pricing Notice shall be sent by fax to the Issuer's primary fax number, as follows:

Fax: +44 1534 825 335

or such other fax number as may be published on the Issuer's Website, and confirmed by email to the following email address:

Email: info@etfsecurities.com.

29.5 Any Pricing Notice shall be deemed to have been received upon sending, subject to confirmation of uninterrupted and error-free transmission by a transmission report.

29.6 Any General Notice to be given to the Issuer shall be sent to the Issuer's primary fax number set out above or delivered by hand, sent by prepaid recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom), to the following address:

Name: ETFS Commodity Securities Limited

Address: Ordnance House, 31 Pier Road
St. Helier, Jersey JE4 8PW
Channel Islands

Attention: Graeme Ross

Fax number: +44 1534 825 335

or such other address as may be published for the Issuer on the Issuer's Website.

29.7 Any General Notice shall, in the absence of earlier receipt, be deemed to have been received as follows:

(a) if delivered by hand, at the time of actual delivery; or

- (b) if sent by prepaid recorded delivery or registered post (or registered airmail in the case of an address outside the United Kingdom), on the date it is delivered or its delivery is attempted.

30. PAYMENT PROVISIONS

- 30.1 All monies payable by the Issuer in respect of Short and Leveraged Commodity Securities shall be paid in US Dollars in full cleared and immediately available funds.
- 30.2 All monies payable by the Issuer on the Redemption of any Short and Leveraged Commodity Securities (including, without limitation, any interest payable under Condition 10.2) shall be paid in full, free and clear of and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.
- 30.3 Where a day on which a payment would otherwise be due and payable is not a Business Day, such payment shall be due and payable by the payer on the next following Business Day.

SCHEDULE 2

“The Sixth Schedule CLASSES OF SHORT AND LEVERAGED COMMODITY SECURITIES

PART A

Short Individual Securities

The following classes of Short Individual Securities are available for issue and in relation to each such class set against its name is the Individual Commodity Index for such class of Short Individual Security, and the Principal Amount for each Short Individual Security of such class:

Class	Individual Commodity Index	Principal Amount
ETFS Daily Short Aluminium	The Bloomberg Aluminum Sub-Index SM	US\$5.00
ETFS Daily Short Brent Crude	The Bloomberg Brent Crude Sub-Index SM	US\$5.00
ETFS Daily Short Cocoa	The Bloomberg Cocoa Sub-Index SM	US\$5.00
ETFS Daily Short Coffee	The Bloomberg Coffee Sub-Index SM	US\$5.00
ETFS Daily Short Copper	The Bloomberg Copper Sub-Index SM	US\$5.00
ETFS Daily Short Corn	The Bloomberg Corn Sub-Index SM	US\$5.00
ETFS Daily Short Cotton	The Bloomberg Cotton Sub-Index SM	US\$5.00
ETFS Daily Short Gasoline	The Bloomberg Unleaded Gasoline Sub-Index SM	US\$5.00
ETFS Daily Short Gas Oil	The Bloomberg Gas Oil Sub-Index SM	US\$5.00
ETFS Daily Short Gold	The Bloomberg Gold Sub-Index SM	US\$5.00
ETFS Daily Short Heating Oil	The Bloomberg Heating Oil Sub-Index SM	US\$5.00
ETFS Daily Short Lead	The Bloomberg Lead Sub-Index SM	US\$5.00
ETFS Daily Short Lean Hogs	The Bloomberg Lean Hogs Sub-Index SM	US\$5.00
ETFS Daily Short Live Cattle	The Bloomberg Live Cattle Sub-Index SM	US\$5.00
ETFS Daily Short Natural Gas	The Bloomberg Natural Gas Sub-Index SM	US\$5.00
ETFS Daily Short Nickel	The Bloomberg Nickel Sub-Index SM	US\$5.00
ETFS Daily Short Platinum	The Bloomberg Platinum Sub-Index SM	US\$5.00
ETFS Daily Short Silver	The Bloomberg Silver Sub-Index SM	US\$5.00
ETFS Daily Short Soybean Oil	The Bloomberg Soybean Oil Sub-Index SM	US\$5.00
ETFS Daily Short Soybeans	The Bloomberg Soybeans Sub-Index SM	US\$5.00
ETFS Daily Short Sugar	The Bloomberg Sugar Sub-Index SM	US\$5.00

ETFS Daily Short Tin	The Bloomberg Tin Sub-Index SM	US\$5.00
ETFS Daily Short Wheat	The Bloomberg Wheat Sub-Index SM	US\$5.00
ETFS Daily Short WTI Crude Oil	The Bloomberg WTI Crude Oil Sub- Index SM	US\$5.00
ETFS Daily Short Zinc	The Bloomberg Zinc Sub-Index SM	US\$5.00

PART B

Short Index Securities

The following classes of Short Index Securities are available for issue and in relation to each such class set against its name is the Individual Commodity Index for each such class of Short Index Security and the Principal Amount for each Short Index Security of such class:

Class	Individual Commodity Index	Principal Amount
ETFS Daily Short Agriculture	The Bloomberg Agriculture Sub-Index SM	US\$5.00
ETFS Daily Short All Commodities	The Bloomberg Commodity Sub-Index SM	US\$5.00
ETFS Daily Short Energy	The Bloomberg Energy Sub-Index SM	US\$5.00
ETFS Daily Short Ex-Energy	The Bloomberg Ex-Energy Sub-Index SM	US\$5.00
ETFS Daily Short Grains	The Bloomberg Grains Sub-Index SM	US\$5.00
ETFS Daily Short Industrial Metals	The Bloomberg Industrial Metals Sub-Index SM	US\$5.00
ETFS Daily Short Livestock	The Bloomberg Livestock Sub-Index SM	US\$5.00
ETFS Daily Short Petroleum	The Bloomberg Petroleum Sub-Index SM	US\$5.00
ETFS Daily Short Precious Metals	The Bloomberg Precious Metals Sub-Index SM	US\$5.00
ETFS Daily Short Softs	The Bloomberg Softs Sub-Index SM	US\$5.00

PART C

Leveraged Individual Securities

The following classes of Leveraged Individual Securities are available for issue and in relation to each such class set against its name is the Individual Commodity Index for such class of Leveraged Individual Security, and the Principal Amount for each Leveraged Individual Security of such class:

Class	Individual Commodity Index	Principal Amount
ETFS Daily Leveraged Aluminium	The Bloomberg Aluminum Sub-Index SM	US\$1.23
ETFS Daily Leveraged Brent Crude	The Bloomberg Brent Crude Sub-Index SM	US\$5.00
ETFS Daily Leveraged Cocoa	The Bloomberg Cocoa Sub-Index SM	US\$2.58
ETFS Daily Leveraged Coffee	The Bloomberg Coffee Sub-Index SM	US\$2.22
ETFS Daily Leveraged Copper	The Bloomberg Copper Sub-Index SM	US\$1.24
ETFS Daily Leveraged Corn	The Bloomberg Corn Sub-Index SM	US\$1.19
ETFS Daily Leveraged Cotton	The Bloomberg Cotton Sub-Index SM	US\$1.12
ETFS Daily Leveraged Gas Oil	The Bloomberg Gas Oil Sub-Index SM	US\$5.00
ETFS Daily Leveraged Gasoline	The Bloomberg Unleaded Gasoline Sub-Index SM	US\$1.43
ETFS Daily Leveraged Gold	The Bloomberg Gold Sub-Index SM	US\$2.69
ETFS Daily Leveraged Heating Oil	The Bloomberg Heating Oil Sub-Index SM	US\$1.02
ETFS Daily Leveraged Lead	The Bloomberg Lead Sub-Index SM	US\$1.00
ETFS Daily Leveraged Lean Hogs	The Bloomberg Lean Hogs Sub-Index SM	US\$1.52
ETFS Daily Leveraged Live Cattle	The Bloomberg Live Cattle Sub-Index SM	US\$2.39
ETFS Daily Leveraged Natural Gas	The Bloomberg Natural Gas Sub-Index SM	US\$0.15
ETFS Daily Leveraged Nickel	The Bloomberg Nickel Sub-Index SM	US\$0.66
ETFS Daily Leveraged Platinum	The Bloomberg Platinum Sub-Index SM	US\$0.68
ETFS Daily Leveraged Silver	The Bloomberg Silver Sub-Index SM	US\$0.91
ETFS Daily Leveraged Soybean Oil	The Bloomberg Soybean Oil Sub-Index SM	US\$1.04
ETFS Daily Leveraged Soybeans	The Bloomberg Soybeans Sub-Index SM	US\$1.91
ETFS Daily Leveraged Sugar	The Bloomberg Sugar Sub-Index SM	US\$2.01
ETFS Daily Leveraged Tin	The Bloomberg Tin Sub-Index SM	US\$2.68

ETFS Daily Leveraged Wheat	The Bloomberg Wheat Sub-Index SM	US\$0.51
ETFS Daily Leveraged WTI Crude Oil	The Bloomberg WTI Crude Oil Sub- Index SM	US\$0.59
ETFS Daily Leveraged Zinc	The Bloomberg Zinc Sub-Index SM	US\$0.88

PART D

Leveraged Index Securities

The following classes of Leveraged Index Securities are available for issue and in relation to each such class set against its name is the Individual Commodity Index for each such class of Leveraged Index Security and the Principal Amount for each Leveraged Index Security:

Class	Individual Commodity Index	Principal Amount
ETFS Daily Leveraged Agriculture	The Bloomberg Agriculture Sub-Index SM	US\$1.75
ETFS Daily Leveraged All Commodities	The Bloomberg Commodity Sub-Index SM	US\$1.86
ETFS Daily Leveraged Energy	The Bloomberg Energy Sub-Index SM	US\$0.65
ETFS Daily Leveraged Ex-Energy	The Bloomberg Ex-Energy Sub-Index SM	US\$1.87
ETFS Daily Leveraged Grains	The Bloomberg Grains Sub-Index SM	US\$1.73
ETFS Daily Leveraged Industrial Metals	The Bloomberg Industrial Metals Sub-Index SM	US\$1.36
ETFS Daily Leveraged Livestock	The Bloomberg Livestock Sub-Index SM	US\$2.07
ETFS Daily Leveraged Petroleum	The Bloomberg Petroleum Sub-Index SM	US\$0.80
ETFS Daily Leveraged Precious Metals	The Bloomberg Precious Metals Sub-Index SM	US\$2.08
ETFS Daily Leveraged Softs	The Bloomberg Softs Sub-Index SM	US\$1.86

IN WITNESS WHEREOF this Supplemental Trust Instrument has been executed on the date first above stated.

EXECUTED AND DELIVERED by
ETFS COMMODITY SECURITIES LIMITED
acting by

)
)
)



Director

The **COMMON SEAL** of
THE LAW DEBENTURE TRUST
CORPORATION P.L.C.
was affixed hereto in the presence of:

)
)
)
)

Director

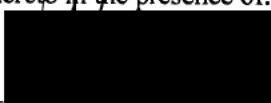
Authorised Signatory

IN WITNESS WHEREOF this Supplemental Trust Instrument has been executed on the date first above stated.

EXECUTED AND DELIVERED by)
ETFs COMMODITY SECURITIES LIMITED)
acting by)

Director

The **COMMON SEAL** of)
THE LAW DEBENTURE TRUST)
CORPORATION P.L.C.)
was affixed hereto in the presence of:)



Director



Authorised Signatory

