

DATED 23 JUNE 2014

(1) **ETFS HEDGED COMMODITY SECURITIES LIMITED**

**AND**

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

---

**SECOND SUPPLEMENTAL TRUST INSTRUMENT**

*modifying the provisions of the*

**TRUST INSTRUMENT DATED 23 FEBRUARY 2012**

**constituting**

**CURRENCY-HEDGED COMMODITY  
SECURITIES**

---

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LLP

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**THIS SUPPLEMENTAL TRUST INSTRUMENT** is made this 23<sup>rd</sup> day of **JUNE** 2014

**BETWEEN:**

- (1) **ETFS HEDGED COMMODITY SECURITIES LIMITED**, a company incorporated under the laws of Jersey with registered number 109413, 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 23 February 2012 (the “**Principal Trust Instrument**”) as amended by a first Supplemental Trust Instrument dated 14 February 2013 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 32.2.2 of the 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 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 amendment.

**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, “**Effective Date**” means the date determined in accordance with Clause 3.1.

**2. AMENDMENTS TO THE TRUST INSTRUMENT**

- 2.1 Pursuant to Clause 32.2.2 of the Principal Trust Instrument, the provisions of the Trust Instrument are hereby amended as follows with effect from the Effective Date:
- 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 sub-indexes shall be construed accordingly. Accordingly the contents of the Sixth Schedule to the Trust Instrument shall be deleted and replaced by the contents of the First Schedule to this Supplemental Trust Instrument; and
- 2.1.2 the words “WM/Reuters Closing Spot Rate” in Clause 32.2.5 of the Trust Instrument shall be deleted and replaced by “BFIX Rate”.

**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 3.1 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 the Second Schedule to this Supplemental Trust Instrument shall apply to the Commodity Securities to the exclusion of the conditions set out in Schedule 2 to the Principal Trust Instrument and accordingly, with effect from the Effective Date, the Commodity Securities shall be held subject to, and with the benefit of, the Conditions set out in the Second Schedule to this Supplemental Trust Instrument, all of which shall be binding on the Issuer and the Security Holders of the Commodity Securities and all persons claiming through or under them respectively.
- 3.2 In accordance with Clause 32.2.2 of the Trust Instrument, each of the Issuer and the Trustee confirms 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 Security Holders. Such notice will be given by way of an RIS announcement.

**4. CONSENT OF THE TRUSTEE**

The Trustee hereby consents to the amendments proposed to be made to the Facility Agreements on or about the date of this Supplemental Trust Instrument by amendment agreements to be entered into by, *inter alios*, the parties.

**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 3.3.

**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 Trust Instrument shall apply to this Supplemental Trust Instrument as it does to the 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 Trust Instrument and by the Issuer on the duplicate thereof.

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

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



G D Ross

\_\_\_\_\_  
Director

**THE COMMON SEAL** of )  
**THE LAW DEBENTURE** )  
**TRUST CORPORATION p.l.c.** )  
was affixed hereto in the presence of: )

\_\_\_\_\_  
Director


\_\_\_\_\_  
Authorised Signatory

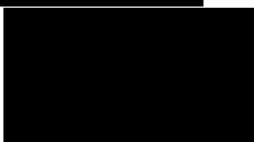
IN WITNESS WHEREOF this Supplemental Trust Instrument has been executed on the date first above stated.

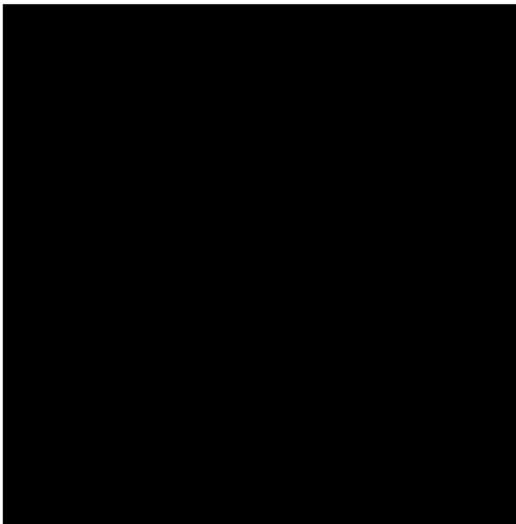
**EXECUTED AND DELIVERED** by )  
**ETFS HEDGED COMMODITY SECURITIES LIMITED** )  
acting by )

\_\_\_\_\_  
Director

**THE COMMON SEAL of** )  
**THE LAW DEBENTURE** )  
**TRUST CORPORATION p.l.c.** )  
was affixed hereto in the presence of: )

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Authorised Signatory



## THE FIRST SCHEDULE

### Schedule 6

#### Classes of Currency-Hedged Commodity Securities

##### Part A

#### Australian Dollar Classic Individual Commodity Contracts

The following are the Individual Commodity Indices for each class of Australian Dollar Classic Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (A\$)</b>
ETFS AUD Daily Hedged Aluminium	The Bloomberg Aluminum Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Brent Crude	The Bloomberg Brent Crude Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Cocoa	The Bloomberg Cocoa Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Coffee	The Bloomberg Coffee Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Copper	The Bloomberg Copper Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Corn	The Bloomberg Corn Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Cotton	The Bloomberg Cotton Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Gas Oil	The Bloomberg Gas Oil Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Gasoline	The Bloomberg Unleaded Gasoline Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Gold	The Bloomberg Gold Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Heating Oil	The Bloomberg Heating Oil Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Lead	The Bloomberg Lead Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Lean Hogs	The Bloomberg Lean Hogs Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Live Cattle	The Bloomberg Live Cattle Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Natural Gas	The Bloomberg Natural Gas Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000



ETFS AUD Daily Hedged Nickel	The Bloomberg Nickel Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Platinum	The Bloomberg Platinum Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Silver	The Bloomberg Silver Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Soybean Oil	The Bloomberg Soybean Oil Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Soybeans	The Bloomberg Soybeans Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Sugar	The Bloomberg Sugar Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Tin	The Bloomberg Tin Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Wheat	The Bloomberg Wheat Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged WTI Crude Oil	The Bloomberg WTI Crude Oil Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Zinc	The Bloomberg Zinc Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000

**Part B**  
**Australian Dollar Classic Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Australian Dollar Classic Index Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Composite Commodity Index</b>	<b>Principal Amount (A\$)</b>
ETFS AUD Daily Hedged All Commodities	The Bloomberg Commodity Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Energy	The Bloomberg Energy Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Petroleum	The Bloomberg Petroleum Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Ex-Energy	The Bloomberg Ex-Energy Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Precious Metals	The Bloomberg Precious Metals Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Industrial Metals	The Bloomberg Industrial Metals Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Agriculture	The Bloomberg Agriculture Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000

ETFS AUD Daily Hedged Softs	The Bloomberg Softs Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Livestock	The Bloomberg Livestock Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Grains	The Bloomberg Grains Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000

**Part C**  
**Euro Classic Individual Commodity Contracts**

The following are the Individual Commodity Indices for each class of Euro Classic Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (€)</b>
ETFS EUR Daily Hedged Aluminium	The Bloomberg Aluminum Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Brent Crude	The Bloomberg Brent Crude Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Cocoa	The Bloomberg Cocoa Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Coffee	The Bloomberg Coffee Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Copper	The Bloomberg Copper Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Corn	The Bloomberg Corn Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Cotton	The Bloomberg Cotton Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Gas Oil	The Bloomberg Gas Oil Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Gasoline	The Bloomberg Unleaded Gasoline Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Gold	The Bloomberg Gold Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Heating Oil	The Bloomberg Heating Oil Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Lead	The Bloomberg Lead Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Lean Hogs	The Bloomberg Lean Hogs Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Live Cattle	The Bloomberg Live Cattle Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

ETFS EUR Daily Hedged Natural Gas	The Bloomberg Natural Gas Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Nickel	The Bloomberg Nickel Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Platinum	The Bloomberg Platinum Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Silver	The Bloomberg Silver Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Soybean Oil	The Bloomberg Soybean Oil Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Soybeans	The Bloomberg Soybeans Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Sugar	The Bloomberg Sugar Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Tin	The Bloomberg Tin Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Wheat	The Bloomberg Wheat Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged WTI Crude Oil	The Bloomberg WTI Crude Oil Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Zinc	The Bloomberg Zinc Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

**Part D**  
**Euro Classic Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Euro Classic Index Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Composite Commodity Index</b>	<b>Principal Amount (€)</b>
ETFS EUR Daily Hedged All Commodities	The Bloomberg Commodity Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Energy	The Bloomberg Energy Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Petroleum	The Bloomberg Petroleum Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Ex-Energy	The Bloomberg Ex-Energy Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Precious Metals	The Bloomberg Precious Metals Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Industrial Metals	The Bloomberg Industrial Metals Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

ETFS EUR Daily Hedged Agriculture	The Bloomberg Agriculture Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Softs	The Bloomberg Softs Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Livestock	The Bloomberg Livestock Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Grains	The Bloomberg Grains Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

**Part E**  
**Sterling Classic Individual Commodity Contacts**

The following are the Individual Commodity Indices for each class of Sterling Classic Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (£)</b>
ETFS GBP Daily Hedged Aluminium	The Bloomberg Aluminum Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Brent Crude	The Bloomberg Brent Crude Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Cocoa	The Bloomberg Cocoa Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Coffee	The Bloomberg Coffee Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Copper	The Bloomberg Copper Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Corn	The Bloomberg Corn Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Cotton	The Bloomberg Cotton Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Gas Oil	The Bloomberg Gas Oil Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Gasoline	The Bloomberg Unleaded Gasoline Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Gold	The Bloomberg Gold Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Heating Oil	The Bloomberg Heating Oil Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Lead	The Bloomberg Lead Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Lean Hogs	The Bloomberg Lean Hogs Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

ETFS GBP Daily Hedged Live Cattle	The Bloomberg Live Cattle Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Natural Gas	The Bloomberg Natural Gas Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Nickel	The Bloomberg Nickel Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Platinum	The Bloomberg Platinum Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Silver	The Bloomberg Silver Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Soybean Oil	The Bloomberg Soybean Oil Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Soybeans	The Bloomberg Soybeans Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Sugar	The Bloomberg Sugar Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Tin	The Bloomberg Tin Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Wheat	The Bloomberg Wheat Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged WTI Crude Oil	The Bloomberg WTI Crude Oil Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Zinc	The Bloomberg Zinc Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

**Part F**  
**Sterling Classic Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Sterling Classic Index Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Composite Commodity Index</b>	<b>Principal Amount (£)</b>
ETFS GBP Daily Hedged All Commodities	The Bloomberg Commodity Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Energy	The Bloomberg Energy Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Petroleum	The Bloomberg Petroleum Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Ex-Energy	The Bloomberg Ex-Energy Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Precious Metals	The Bloomberg Precious Metals Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

ETFS GBP Daily Hedged Industrial Metals	The Bloomberg Industrial Metals Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Agriculture	The Bloomberg Agriculture Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Softs	The Bloomberg Softs Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Livestock	The Bloomberg Livestock Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Grains	The Bloomberg Grains Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

**Part G**  
**Australian Dollar Longer Dated Individual Commodity Contracts**

The following are the Individual Commodity Indices for each class of Australian Dollar Longer Dated Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (A\$)</b>
ETFS AUD Daily Hedged Longer Dated Aluminium	The Bloomberg Aluminum 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Brent Crude	The Bloomberg Brent Crude 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Cocoa	The Bloomberg Cocoa 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Coffee	The Bloomberg Coffee 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Copper	The Bloomberg Copper 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Corn	The Bloomberg Corn 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Cotton	The Bloomberg Cotton 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Gas Oil	The Bloomberg Gas Oil 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Gasoline	The Bloomberg Unleaded Gasoline 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000

ETFS AUD Daily Hedged Longer Dated Gold	The Bloomberg Gold 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Heating Oil	The Bloomberg Heating Oil 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Lead	The Bloomberg Lead 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Lean Hogs	The Bloomberg Lean Hogs 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Live Cattle	The Bloomberg Live Cattle 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Natural Gas	The Bloomberg Natural Gas 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Nickel	The Bloomberg Nickel 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Platinum	The Bloomberg Platinum 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Silver	The Bloomberg Silver 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Soybean Oil	The Bloomberg Soybean Oil 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Soybeans	The Bloomberg Soybeans 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Sugar	The Bloomberg Sugar 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Tin	The Bloomberg Tin 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Wheat	The Bloomberg Wheat 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated WTI Crude Oil	The Bloomberg WTI Crude Oil 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000

ETFS AUD Daily Hedged Longer Dated Zinc	The Bloomberg Zinc 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
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**Part H**  
**Australian Dollar Longer Dated Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Australian Dollar Longer Dated Index Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Composite Commodity Index</b>	<b>Principal Amount (A\$)</b>
ETFS AUD Daily Hedged Longer Dated All Commodities	The Bloomberg Commodity Index 3 Month Forward Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Energy	The Bloomberg Energy 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Petroleum	The Bloomberg Petroleum 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Ex-Energy	The Bloomberg Ex-Energy 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Precious Metals	The Bloomberg Precious Metals 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Industrial Metals	The Bloomberg Industrial Metals 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Agriculture	The Bloomberg Agriculture 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Softs	The Bloomberg Softs 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Livestock	The Bloomberg Livestock 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000
ETFS AUD Daily Hedged Longer Dated Grains	The Bloomberg Grains 3 Month Forward Sub-Index Australian Dollar Hedged Daily <sup>SM</sup>	1.00000000



**Part I**  
**Euro Longer Dated Individual Commodity Contracts**

The following are the Individual Commodity Indices for each class of Euro Longer Dated Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (€)</b>
ETFS EUR Daily Hedged Longer Dated Aluminium	The Bloomberg Aluminum 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Brent Crude	The Bloomberg Brent Crude 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Cocoa	The Bloomberg Cocoa 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Coffee	The Bloomberg Coffee 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Copper	The Bloomberg Copper 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Corn	The Bloomberg Corn 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Cotton	The Bloomberg Cotton 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Gas Oil	The Bloomberg Gas Oil 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Gasoline	The Bloomberg Unleaded Gasoline 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Gold	The Bloomberg Gold 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Heating Oil	The Bloomberg Heating Oil 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Lead	The Bloomberg Lead 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Lean Hogs	The Bloomberg Lean Hogs 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Live Cattle	The Bloomberg Live Cattle 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

ETFS EUR Daily Hedged Longer Dated Natural Gas	The Bloomberg Natural Gas 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Nickel	The Bloomberg Nickel 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Platinum	The Bloomberg Platinum 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Silver	The Bloomberg Silver 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Soybean Oil	The Bloomberg Soybean Oil 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Soybeans	The Bloomberg Soybeans 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Sugar	The Bloomberg Sugar 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Tin	The Bloomberg Tin 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Wheat	The Bloomberg Wheat 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated WTI Crude Oil	The Bloomberg WTI Crude Oil 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Zinc	The Bloomberg Zinc 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

**Part J**  
**Euro Longer Dated Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Euro Longer Dated Index Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Composite Commodity Index</b>	<b>Principal Amount (€)</b>
ETFS EUR Daily Hedged Longer Dated All Commodities	The Bloomberg Commodity Index 3 Month Forward Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Energy	The Bloomberg Energy 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Petroleum	The Bloomberg Petroleum 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

ETFS EUR Daily Hedged Longer Dated Ex-Energy	The Bloomberg Ex-Energy 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Precious Metals	The Bloomberg Precious Metals 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Industrial Metals	The Bloomberg Industrial Metals 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Agriculture	The Bloomberg Agriculture 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Softs	The Bloomberg Softs 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Livestock	The Bloomberg Livestock 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000
ETFS EUR Daily Hedged Longer Dated Grains	The Bloomberg Grains 3 Month Forward Sub-Index Euro Hedged Daily <sup>SM</sup>	1.00000000

**Part K**  
**Sterling Longer Dated Individual Commodity Contracts**

The following are the Individual Commodity Indices for each class of Sterling Longer Dated Individual Security, and the Principal Amount for each Commodity Security of such class:

<b>Class</b>	<b>Individual Commodity Index</b>	<b>Principal Amount (£)</b>
ETFS GBP Daily Hedged Longer Dated Aluminium	The Bloomberg Aluminum 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Brent Crude	The Bloomberg Brent Crude 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Cocoa	The Bloomberg Cocoa 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Coffee	The Bloomberg Coffee 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Copper	The Bloomberg Copper 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Corn	The Bloomberg Corn 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

ETFS GBP Daily Hedged Longer Dated Cotton	The Bloomberg Cotton 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Gas Oil	The Bloomberg Gas Oil 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Gasoline	The Bloomberg Unleaded Gasoline 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Gold	The Bloomberg Gold 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Heating Oil	The Bloomberg Heating Oil 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Lead	The Bloomberg Lead 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Lean Hogs	The Bloomberg Lean Hogs 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Live Cattle	The Bloomberg Live Cattle 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Natural Gas	The Bloomberg Natural Gas 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Nickel	The Bloomberg Nickel 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Platinum	The Bloomberg Platinum 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Silver	The Bloomberg Silver 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Soybean Oil	The Bloomberg Soybean Oil 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Soybeans	The Bloomberg Soybeans 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Sugar	The Bloomberg Sugar 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

ETFS GBP Daily Hedged Longer Dated Tin	The Bloomberg Tin 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Wheat	The Bloomberg Wheat 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated WTI Crude Oil	The Bloomberg WTI Crude Oil 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Zinc	The Bloomberg Zinc 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

**Part L**  
**Sterling Longer Dated Index Commodity Contracts**

The following are the Composite Commodity Indices for each class of Sterling Longer Dated Index Security, and the Principal Amount for each Commodity Security of such class:

Class	Composite Commodity Index	Principal Amount (£)
ETFS GBP Daily Hedged Longer Dated All Commodities	The Bloomberg Commodity Index 3 Month Forward Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Energy	The Bloomberg Energy 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Petroleum	The Bloomberg Petroleum 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Ex-Energy	The Bloomberg Ex-Energy 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Precious Metals	The Bloomberg Precious Metals 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Industrial Metals	The Bloomberg Industrial Metals 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Agriculture	The Bloomberg Agriculture 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000
ETFS GBP Daily Hedged Longer Dated Softs	The Bloomberg Softs 3 Month Forward Sub-Index Pound Sterling Hedged Daily <sup>SM</sup>	1.00000000

ETFS GBP Daily Hedged Longer Dated Livestock	The Bloomberg Livestock Forward Sub-Index Hedged Daily <sup>SM</sup>	Pound	3 Month Sterling	1.00000000
ETFS GBP Daily Hedged Longer Dated Grains	The Bloomberg Grains Forward Sub-Index Hedged Daily <sup>SM</sup>	Pound	3 Month Sterling	1.00000000

## THE SECOND SCHEDULE

### Schedule 2

#### The Conditions – Currency-Hedged Commodity Securities

##### Conditions

The following are the conditions applicable to the Commodity Securities:

The Commodity Securities are undated, limited recourse, secured debt securities of ETFS Hedged Commodity Securities Limited and are constituted by, are issued subject to and have the benefit of, a trust instrument dated 23 February 2012 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee for the holders of Commodity Securities, as amended by a supplemental trust instrument dated 14 February 2013 and a supplemental trust instrument dated June 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 Deed (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 Commodity Securities using Agreed Pricing;

“**Australian Dollar**” or “**AUD**” or “**A\$**” means the lawful currency of the Commonwealth of Australia;

“**Australian Dollar Classic Index Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Australian Dollar Classic Individual Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Australian Dollar Classic Security**” means an Australian Dollar Classic Individual Security or an Australian Dollar Classic Index Security;

“**Australian Dollar Commodity Security**” means an Australian Dollar Individual Security or an Australian Dollar Index Security;

“**Australian Dollar Index Security**” means an Australian Dollar Classic Index Security or an Australian Dollar Longer Dated Index Security;

“**Australian Dollar Individual Security**” means an Australian Dollar Classic Individual Security or an Australian Dollar Longer Dated Individual Security;

“**Australian Dollar Longer Dated Index Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Australian Dollar Longer Dated Individual Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Australian Dollar Longer Dated Security**” means an Australian Dollar Longer Dated Individual Security or an Australian Dollar Longer Dated Index Security;

“**Authorised Participant**” means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to 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 Commodity Securities and if such agreement is subject to conditions precedent, provided that such conditions have been satisfied;

“**BFIX Rate**” in relation to any Currency and any day, means the BFIX rate for that Currency and that day available on the Bloomberg Professional® service, or any substitute for such rate agreed with each Commodity Contract Counterparty for the purposes of the Facility Agreements, in each case expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Euro or a number of US Dollars per Pound Sterling, provided that if Bloomberg makes available on the Bloomberg Professional® Service an amended or corrected BFIX rate for that Currency and that day by no later than 9:00 p.m. on that day, the BFIX Rate for that Currency and that day shall be such amended or corrected rate;

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

“**Bloomberg Commodity Index**<sup>SM</sup>” means the Bloomberg Commodity Index<sup>SM</sup> calculated and published by Bloomberg, formerly known as the Dow Jones – UBS Commodity Index<sup>SM</sup>;



“**Bloomberg Commodity Index 3 Month Forward**<sup>SM</sup>” means the Bloomberg Commodity Index 3 Month Forward<sup>SM</sup> calculated and published by Bloomberg, formerly known as the Dow Jones – UBS Commodity Index 3 Month Forward<sup>SM</sup>;

“**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 with respect to each class of Commodity Securities an adjustment factor to be included in the calculation of the Price which is agreed from time to time in respect of the corresponding class of Commodity Contracts 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 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 Commodity Security**” means an Australian Dollar Classic Security, a Euro Classic Security or a Sterling Classic Security;

“**Classic Composite Commodity Index**” means an index calculated and published by Bloomberg from time to time in accordance with the Handbook by reference to the performance of an Unhedged Classic Composite Commodity Index and movements in the exchange rate of a specified currency against the US Dollar;

“**Classic Individual Commodity Index**” means an index calculated and published by Bloomberg from time to time in accordance with the Handbook by reference to the performance of an Unhedged Classic Individual Commodity Index and movements in the exchange rate of a specified currency against the US Dollar;

“**Closing Settlement Price Level**” in relation to any Commodity Index and a day (the “**Index Day**”) is the published closing settlement price level of such Commodity Index published for the Index Day, *provided that* if (i) the Calculation Agent notifies the Issuer by no later than 11.59 p.m. on the first General Trading Day after the Index Day that there is an error in the published value for the Index Day and that a corrected value is expected to be published within a reasonable period of time and Bloomberg publishes an amended or corrected closing settlement price level for such Commodity Index and the Index Day by no later than 11.59 p.m. (New York time) on the first General Trading Day after the Index Day or (ii) Bloomberg publishes an amended or corrected closing settlement price level for such Commodity Index and such day by no later than 11.59 p.m. (London time) on the first General Trading Day after the Index Day, the Closing Settlement Price Level for such Commodity Index and the Index Day shall be such amended or corrected closing settlement price level and *provided further that* if the Calculation Agent provides a substitute value of any Commodity Index in respect of any day as provided in

Condition 14, the Closing Settlement Price Level for such Commodity Index and such day shall be such substitute value;

“**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 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 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 MLI Facility Agreement remains in force includes MLI;

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

“**Commodity Hedging Disruption Event**” means an event, circumstance or cause (including, without limitation, the adoption of or any change in any applicable law or regulation) 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 such Commodity Contract Counterparty’s ability to hedge the commodity risk of 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 commodity 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, the application of position limits to such Commodity Contract Counterparty, the lack of availability of hedging exemptions from applicable legal, regulatory or exchange requirements or the occurrence or existence of any other circumstance or event;

“**Commodity Index**” or “**Currency-Hedged 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 Commodity Securities (and the corresponding class of Commodity Contracts) means the Commodity Index specified in relation to such class in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Commodity Market Disruption Day**” means:

- (a) in respect of an Individual Commodity Index, a General Trading Day which is a Trading Day for that Individual Commodity Index on which a Commodity Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange for the Corresponding Unhedged Commodity Index, other than a day for which a substitute value for such individual Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements;
- (b) 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 the Corresponding Unhedged Commodity Index is calculated (in whole or in part) but on which a Commodity Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange for any such futures contract, other than a day for which a substitute value for such Composite Commodity Index is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements;

- (c) in respect of a futures contract the Settlement Price for which is included in the calculation of an Unhedged Commodity Index, a day which is a Trading Day for that futures contract and on which a Commodity Market Disruption Event occurs or is continuing in the Relevant Market on the Relevant Exchange on which that futures contract is traded, other than a day for which a substitute value of a Commodity Index corresponding to an Unhedged Commodity Index in the calculation of which Settlement Prices of such futures contracts are included is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements;
- (d) in respect of a commodity in connection with a Commodity Index (or class of Commodity Securities), a Commodity Market Disruption Day for a futures contract in respect of that commodity the Settlement Price for which is included in the calculation of the Corresponding Unhedged Commodity Index (or the Unhedged Commodity Index corresponding to the Commodity Index relating to that class of Commodity Securities), other than a day for which a substitute value of a Commodity Index corresponding to an Unhedged Commodity Index in the calculation of which Settlement Prices of futures contracts in respect of such commodity are included is determined by the Calculation Agent in accordance with the provisions of the Facility Agreements; or
- (e) in respect of a class of Commodity Securities, a day which is a Commodity Market Disruption Day within paragraph (a) or (b) above in respect of the Commodity Index applicable to Commodity Securities of that class;

**“Commodity Market Disruption Event”** means:

- (a) in respect of a particular Individual Commodity Index or the Unhedged Commodity Index corresponding thereto, 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 the Corresponding Unhedged Commodity Index; or
  - (iii) the Settlement Price of the Lead Future or Next Future used in the calculation of the Corresponding Unhedged 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;
- (b) in respect of any Composite Commodity Index or the Unhedged Commodity Index corresponding thereto, 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 the Corresponding Unhedged Commodity Index (and, for such purposes, references in paragraphs (a)(ii) and

(iii) of this definition to “any Lead Future or Next Future used in the calculation of the Corresponding Unhedged 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 the Corresponding Unhedged Commodity Index); and

- (c) in respect of a commodity in connection with a Commodity Index or the Unhedged Commodity Index corresponding thereto (or a class of Commodity Securities), any event described in paragraphs (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 the Corresponding Unhedged Commodity Index (or the Unhedged Commodity Index corresponding to the Commodity Index relating to that class of Commodity Securities) (and, for such purposes, references in paragraphs (a)(ii) and (iii) of this definition to “any Lead Future or Next Future used in the calculation of the Corresponding Unhedged 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 Unhedged Commodity Index (or the Unhedged Commodity Index corresponding to the Commodity Index relating to that class of Commodity Securities)),

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

“**Commodity Security**” or “**Currency-Hedged Commodity Security**” means an undated limited recourse secured debt security of the Issuer of any of the classes specified in the Trust Instrument created pursuant to and constituted by the Trust Instrument and includes Australian Dollar Commodity Securities, Euro Commodity Securities and Sterling Commodity Securities and “**Commodity Securities**” or “**Currency-Hedged Commodity Securities**” means all of them;

“**Composite Commodity Index**” means a Classic Composite Commodity Index or a Longer Dated Composite Commodity Index;

“**Compulsory Daily Pricing Number**” means, in respect of a Compulsory Redemption and a class of Commodity Securities, the number of outstanding Commodity Securities of the relevant class which, in relation to each Pricing Day on which 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 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 Commodity Securities for any Pricing Day shall be reduced by the number of 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 Commodity Securities in accordance with Condition 8.12 or Condition 8.13;

“**Compulsory Redemption Date**” means a date notified in accordance with Condition 8.1, Condition 8.2, Condition 8.5, Condition 8.6, Condition 8.7 or Condition 8.8;

“**Compulsory Redemption Number**” means in respect of a Compulsory Redemption Date and a class of Commodity Securities, where such Compulsory Redemption Date is notified in accordance with:

- (a) Condition 8.1, Condition 8.2, or Condition 8.7, the total number of 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 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 Commodity Securities in respect of which notice was given by the Issuer in accordance with Condition 8.6 (unless Condition 7.19(d) applies, in which case it means all the Commodity Securities of that class outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date); and
- (d) Condition 8.8, the number of Commodity Securities of that class in respect of which notice was given by the Issuer in accordance with Condition 8.8 with respect to the Security Holder in question;

“**Conditions**” means these terms and conditions on and subject to which 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, ten 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, ten 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;

**“Corresponding Unhedged Commodity Index”** in respect of any Commodity Index, means the Unhedged Commodity Index the closing settlement price level of which is used in the calculation of its closing settlement price level in accordance with the Handbook, the name of which is the same as the name of that Commodity Index with the omission of the words “Australian Dollar Hedged Daily”, “Euro Hedged Daily” or “Pound Sterling Hedged Daily” and **“corresponding”** in relation to a Commodity Index shall be construed accordingly;

**“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 five Business Days of the Commodity Contract Counterparty receiving written notice from the Issuer of such breach; or
- (b) any other Counterparty Default (as defined in the relevant Facility Agreement) shall have occurred under 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;

**“Currency”** means each of the three denominations of Commodity Securities (and their corresponding Commodity Contracts) provided for in the Trust Instrument, being Australian Dollars in respect of Australian Dollar Commodity Securities, Euro in respect of Euro Commodity Securities and Pounds Sterling in respect of Sterling Commodity Securities and **“Currencies”** will be construed accordingly;

**“Default Rate”** means in respect of any Currency or US Dollars a rate per annum of interest equal to LIBOR in respect of that Currency or US Dollars (as the case may be) 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 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;

**“EC Treaty”** means the Treaty establishing the European Community (signed in Rome on March 25, 1957), as amended by the Treaty on European Union (signed in Maastricht on February 7, 1992) and as amended by the Treaty of Amsterdam (signed in Amsterdam on October 2, 1997), as further amended from time to time;

**“Euro”** or **“Eur”** or **“€”** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the EC Treaty;

**“Euro Classic Index Security”** means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

**“Euro Classic Individual Security”** means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

**“Euro Classic Security”** means a Euro Classic Individual Security or a Euro Classic Index Security;

**“Euro Commodity Security”** means a Euro Individual Security or a Euro Index Security;

**“Euro Index Security”** means a Euro Classic Index Security or a Euro Longer Dated Index Security;

**“Euro Individual Security”** means a Euro Classic Individual Security or a Euro Longer Dated Individual Security;

**“Euro Longer Dated Index Security”** means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

**“Euro Longer Dated Individual Security”** means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

**“Euro Longer Dated Security”** means a Euro Longer Dated Individual Security or a Euro Longer Dated Index Security;

**“Extraordinary Resolution”** means in respect of one or more classes of Commodity Securities either (a) a resolution passed at a meeting of the holders of the 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 Price (or if no Price was determined on the day of that meeting, the most recently determined Price) of the Commodity Securities of such class or classes voting on such poll or (b) a resolution in writing of holders of the Commodity Securities of such class or

classes holding not less than 75 per cent. by Price (as at the date of the last signature (or if no Price was determined on that date, the most recently determined Price)) of the Commodity Securities of such class or classes;

“**Facility Agreement**” means each of the agreements entitled “Facility Agreement relating to Currency-Hedged 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 on or about the date of the Trust Instrument (the “**UBS Facility Agreement**”) and such an agreement between the Issuer and MLI dated on or about the date of the Trust Instrument (the “**MLI Facility Agreement**”);

“**Foreign Exchange Rate**” for a Commodity Index and a day in respect of which that Commodity Index is calculated and published means the rate of exchange used in the calculation of such Commodity Index for that day, expressed as a number of US Dollars per Australian Dollar, a number of US Dollars per Pound Sterling or a number of US Dollars per Euro, as the case may be and for any other day which is a Trading Day for any of the commodities comprised in the Bloomberg Commodity Index<sup>SM</sup> or comprised in any other Unhedged Commodity Index corresponding to an Individual Commodity Index, means the exchange rate for the relevant Currency sourced by the Calculation Agent for the purposes of the Facility Agreements from Bloomberg (or such other person or entity from time to time fulfilling the functions provided by it at the date of the Trust Instrument under the Handbook) using the daily 4.00 p.m. London fix rate for that day or, if the Calculation Agent is unable to so source such exchange rate, an exchange rate for that day as of 4.00 p.m. determined by the Calculation Agent for the purposes of one or more Facility Agreements, *provided that* in respect of any Commodity Index the Relevant Currency of which is the subject of an FX Market Disruption Event and for which the Calculation Agent is providing a substitute Foreign Exchange Rate for the purposes of one or more Facility Agreements, the Foreign Exchange Rate for such Commodity Index shall be the Foreign Exchange Rate so provided;

“**FCA**” means the Financial Conduct Authority of the United Kingdom and any successor thereto;

“**FSMA**” means the Financial Services and Markets Act 2000;

“**Funding Rate**” means in respect of any Currency or US Dollars a rate per annum of interest equal to LIBOR in respect of that Currency or US Dollars (as the case may be), compounding daily;

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

“**FX Hedging Disruption Event**” means an event, circumstance or cause (including, without limitation, the adoption of or any change in any applicable law or regulation) 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 such Commodity Contract Counterparty’s ability to hedge the currency risk of 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 currency hedging transaction in connection with the relevant Facility Agreement or such Commodity Contracts, in each case whether due to market illiquidity, illegality, the adoption of or change in any law or other regulatory instrument, lack of availability of hedging transaction market participants, inconvertibility, establishment of dual exchange



rates or foreign exchange controls, the application of position limits to such Commodity Contract Counterparty, the lack of availability of hedging exemptions from applicable legal, regulatory or exchange requirements or the occurrence or existence of any other circumstance or event;

**“FX Market Disruption Day”** means, in relation to a Commodity Index to which a class of Commodity Securities relates or to a class of Commodity Securities, a General Trading Day which is a Trading Day for that Commodity Index, or the Commodity Index to which such class of Commodity Securities relates, (respectively) on which a FX Market Disruption Event occurs or is continuing in respect of the Relevant Currency of such class of Commodity Securities and of which the Calculation Agent has given notice to the Issuer for the purposes of one or more Facility Agreements by no later than 4.30 p.m. on that Trading Day (with notice to each Authorised Participant given as soon as reasonably practicable by email, by telephone or by other reasonable means under the circumstances where so provided in the relevant Authorised Participant Agreement) specifying that Trading Day to be a FX Market Disruption Day in respect of such Commodity Index, *provided that*, if the Calculation Agent provides a substitute Foreign Exchange Rate in respect of a day and the Relevant Currency of such class of Commodity Securities for the purposes of one or more Facility Agreements, then such day shall not be a FX Market Disruption Day;

**“FX Market Disruption Event”** means, in respect of a Currency, an event, circumstance or cause (including, without limitation, the adoption of or any change in any applicable law or regulation) that has had or would reasonably be expected to have a materially adverse effect on the availability of a market for converting such Currency to US Dollars (or *vice versa*), whether due to market illiquidity, illegality, the adoption of or change in any law or other regulatory instrument, inconvertibility, establishment of dual exchange rates or foreign exchange controls or the occurrence or existence of any other circumstance or event, as determined by the Calculation Agent in accordance with the provisions of the Facility Agreements;

**“FX Restriction Event”** means, in relation to any class or classes of Commodity Contract, an event, circumstance or cause that is reasonably and in good faith determined by the relevant Commodity Contract Counterparty to render it unable to Create or Cancel Commodity Contracts of such class or classes by reason of restrictions on holding the Relevant Currency or exchanging either amounts of the Relevant Currency for US Dollars or amounts of US Dollars for the Relevant Currency;

**“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;

**“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;

“**Handbook**” means the document entitled “Index Methodology - The Bloomberg Commodity Index Family” which sets out the methodology for calculation of (*inter alia*) the Bloomberg Commodity Index<sup>SM</sup> and the other Unhedged Commodity Indices and the Currency-Hedged Commodity Indices, prepared and as amended from time to time by Bloomberg;

“**Hedging Disruption Event**” means a FX Hedging Disruption Event or a Commodity Hedging Disruption Event;

“**Index Security**” means an Australian Dollar Index Security, a Euro Index Security or a Sterling Index Security and “**Index Securities**” means all of them;

“**Indicative Price**” means, in respect of a particular class of Commodity Security on a calendar day, the value calculated in accordance with Condition 5.5;

“**Individual Commodity Index**” means a Classic Individual Commodity Index or a Longer Dated Individual Commodity Index;

“**Individual Security**” means an Australian Dollar Individual Security, a Euro Individual Security or a Sterling Individual Security and “**Individual Securities**” shall be construed accordingly;

“**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 paragraphs (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;

**“Investment Company Act”** means the Investment Company Act of 1940 of the United States;

**“Issuer”** means ETFS Hedged Commodity Securities Limited, a company incorporated and registered in Jersey with registered number 109413;

**“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 paragraphs (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 paragraphs (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/hcsl> 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 the Corresponding Unhedged Commodity Index on that Trading Day and (b) for a commodity comprised in an Unhedged Commodity Index corresponding to a Composite Commodity Index but which is not the subject of an Unhedged Commodity Index corresponding to 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 Unhedged Commodity Index on that Trading Day;

“**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 and any Currency or US Dollars:

- (a) the rate for overnight deposits in that Currency or US Dollars (as the case may be) which appears on the relevant Reuters 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 relevant Reuters page (or any successor page), the rate for such determination date will be determined on the basis of the rates at which deposits in that Currency or US Dollars (as the case may be) 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 (in respect of US Dollars), in Sydney (in respect of Australian Dollars) or in London (in respect of Euro or Sterling) (as the case may be), selected by the Issuer, at approximately 11.00 a.m., local time in New York (in respect of US Dollars), in Sydney (in respect of Australian Dollars) or in London (in respect

of Euro or Sterling) (as the case may be), on such determination date for loans in that Currency or US Dollars (as the case may be) 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 Commodity Securities to the Official List in accordance with the Listing Rules and admission of a particular class of 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 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 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 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;

**“Longer Dated Commodity Security”** means an Australian Dollar Longer Dated Commodity Security, a Euro Longer Dated Security or a Sterling Longer Dated Security;

**“Longer Dated Composite Commodity Index”** means an index calculated and published by Bloomberg from time to time in accordance with the Handbook by reference to the performance of an Unhedged Longer Dated Composite Commodity Index and movements in the exchange rate of a specified currency against the US Dollar;

**“Longer Dated Individual Commodity Index”** means an index calculated and published by Bloomberg from time to time in accordance with the Handbook by reference to the performance of an Unhedged Longer Dated Individual Commodity Index and movements in the exchange rate of a specified currency against the US Dollar;

**“Market Disruption Day”** in respect of a class of Commodity Securities means a day which is a Commodity Market Disruption Day in respect of such class and/or a FX Market Disruption Day in respect of such class;

**“Market Disruption Event”** means a Commodity Market Disruption Event or a FX Market Disruption Event;

**“MLI”** means Merrill Lynch International, a company incorporated and registered in England and Wales with number 2312079 whose registered office is situated at 2 King Edward Street, London EC1A 1HQ, England and includes its successors and assignees;

**“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 the Corresponding Unhedged Commodity Index on that Trading Day and (b) for a commodity comprised in an Unhedged Commodity Index corresponding to a Composite Commodity Index but which is not the subject of an Unhedged Commodity Index corresponding to 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 Unhedged Commodity Index on that Trading Day;

**“Notice Deadline”** means, on an Issuer Business 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 Issuer Business 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 Commodity Securities, all the 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) Commodity Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) 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, 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 Commodity Securities shall be deemed not to be Security Holders;

**“Pool”** means a separate fund or pool to which Commodity Securities of a particular class are attributable;

**“Price”** means the price in the Relevant Currency 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 Individual Securities, a day which is a General Trading Day and which is (i) a Trading Day for the Individual Commodity Index applicable to that class of Commodity Security, and (ii) not a Market Disruption Day for that Individual Commodity Index;
- (b) for each class of Index Securities, a day which is a General Trading Day and which is (i) a Trading Day for each of the futures contracts by reference to the Settlement Price for which the Unhedged Commodity Index corresponding to the Composite Commodity Index relating to that class of Index Commodity Securities is calculated (in whole or in part), and (ii) not a Market Disruption Day for such Composite Commodity Index;
- (c) for each futures contract the Settlement Price for which is included in the calculation of an Unhedged Commodity Index, a General Trading Day which is (i) a Trading Day for that futures contract, and (ii) not a Commodity Market Disruption Day for that futures contract; or
- (d) for each commodity in connection with a Commodity Index (or class of Commodity Securities), a General Trading Day which is (i) a Trading Day for the futures contracts relating to that commodity the Settlement Price for which is included in the calculation of the Corresponding Unhedged Commodity Index (or the Unhedged Commodity Index corresponding to the Commodity Index relating to that class of Commodity Securities), and (ii) not a Commodity Market Disruption Day for that futures contract;

**“Pricing Notice”** means a Redemption Form or a Withdrawal Notice;

**“Principal Amount”** means in respect of each Commodity Security the amount specified in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

**“Programme”** means the programme for the issue of 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 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 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 Commodity Securities by the Issuer in accordance with these Conditions (and **“Redeem”** and **“Redeemed”** shall be construed accordingly);

**“Redemption Account”** means a bank account to receive payments of the Redemption Amount in respect of the Redemption of Commodity Securities (and matching Commodity Contracts), 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 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 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 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 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 of Commodity Securities 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 Commodity Securities to be evidenced otherwise than by a certificate and transferred otherwise than by a written instrument;

**“Relevant Currency”** means, in relation to any Commodity Security, the currency in which that Commodity Security is denominated being:

- (a) in the case of an Australian Dollar Commodity Security, Australian Dollars;
- (b) in the case of a Euro Commodity Security, Euro; and
- (c) in the case of a Sterling Commodity Security, Sterling;

**“Relevant Exchange”** means:

- (a) for each Individual Commodity Index or the Unhedged Commodity Index corresponding thereto, the futures exchange on which is traded the futures contract by reference to the prices of which that Unhedged Commodity Index is calculated;
- (b) in relation to a commodity comprised in an Unhedged 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 Unhedged Commodity Index; and
- (c) in relation to a futures contract the Settlement Price of which is included in the calculation of an Unhedged 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 Corresponding Unhedged Commodity Index is calculated,

- (b) in respect of an Unhedged Individual Commodity Index, the market conducted on the Relevant Exchange for the futures contracts by reference to which that Unhedged Individual Commodity Index is calculated; and
- (c) in relation to a commodity comprised in an Unhedged 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 Unhedged 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 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 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 Security Deed as it applies in respect of such class;

**“Securities Act”** means the Securities Act of 1933 of the United States;

**“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 on or about the date of the Trust Instrument (the **“UBS Security Agreement”**) and such an agreement between the Issuer and MLI dated on or about the date of the Trust Instrument (the **“MLI 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 the Security Deed dated on or about the date of the Trust Instrument between the Issuer and the Trustee and, in respect of each Pool to which a class of Commodity Securities is attributable and the corresponding class of Commodity Contracts, the same as it applies to that Pool;

**“Security Holder”** means a registered holder of Commodity Securities;

**“Settlement Failure”** means, in respect of a Redemption where the Security Holder has delivered the 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 Foreign Exchange Rate”** in respect of a class of Commodity Securities denominated in a Currency and any day, means the BFIX Rate for that Currency and that day, *provided that* if for any reason such BFIX Rate is not available, the Settlement Foreign Exchange Rate shall be the rate determined by the Calculation Agent for the purposes of the Facility Agreements;

**“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 Commodity Securities using Settlement Pricing;

**“Sterling”** or **“Pound Sterling”** or **“GBP”** or **“£”** means the lawful currency of the United Kingdom of Great Britain and Northern Ireland;

“**Sterling Classic Index Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Sterling Classic Individual Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Sterling Classic Security**” means a Sterling Classic Individual Security or a Sterling Classic Index Security;

“**Sterling Commodity Security**” means a Sterling Individual Security or a Sterling Index Security;

“**Sterling Index Security**” means a Sterling Classic Index Security or a Sterling Longer Dated Index Security;

“**Sterling Individual Security**” means a Sterling Classic Individual Security or a Sterling Longer Dated Individual Security;

“**Sterling Longer Dated Index Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Sterling Longer Dated Individual Security**” means a Commodity Security of a class specified as such in Schedule 6 (*Classes of Currency-Hedged Commodity Securities*) to the Trust Instrument;

“**Sterling Longer Dated Security**” means a Sterling Longer Dated Individual Security or a Sterling Longer Dated Index Security;

“**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 or the Unhedged Commodity Index corresponding thereto, a day on which the Relevant Exchange for that Unhedged 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 or the Unhedged Commodity Index corresponding thereto, a day on which all the Relevant Exchanges for each commodity comprised in that Unhedged 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 an Unhedged 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 the Unhedged Commodity Index corresponding thereto (or class of 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 Unhedged Commodity Index (or the Unhedged Commodity Index corresponding to the Commodity Index relating to that class of 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 23 February 2012, between the Issuer and the Trustee constituting Commodity Securities, and includes the schedules thereto and these Conditions;

**“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 and includes its successors and assignees;

**“UBS Securities”** means UBS Securities LLC, a Delaware limited liability company whose principal place of business is at 677 Washington Boulevard, Stamford, Connecticut 06901, United States and includes its successors;

**“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 or any successor enactment;

**“Unacceptable Authorised Participant”** means, in respect of a Commodity Contract Counterparty, an Authorised Participant in respect of which the relevant Commodity Contract Counterparty has given and not withdrawn notice under that Commodity Contract Counterparty's Facility Agreement that the Authorised Participant is to be treated as an Unacceptable Authorised Participant in respect of that Commodity Contract Counterparty;

**“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;

**“Unhedged Classic Composite Commodity Index”** means the Bloomberg Commodity Index<sup>SM</sup> and each other 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 in accordance with the Handbook using the methodology of the Bloomberg Commodity Index<sup>SM</sup>;

“**Unhedged Classic Individual Commodity Index**” means an index for an individual commodity, as calculated and published by Bloomberg from time to time in accordance with the Handbook using the methodology of Bloomberg Commodity Index<sup>SM</sup>;

“**Unhedged Commodity Index**” means an Unhedged Classic Individual Commodity Index, an Unhedged Classic Composite Commodity Index, an Unhedged Longer Dated Individual Commodity Index or an Unhedged Longer Dated Composite Commodity Index;

“**Unhedged Composite Commodity Index**” means an Unhedged Classic Composite Commodity Index or an Unhedged Longer Dated Composite Commodity Index;

“**Unhedged Individual Commodity Index**” means an Unhedged Classic Individual Commodity Index or an Unhedged Longer Dated Individual Commodity Index;

“**Unhedged Longer Dated Composite Commodity Index**” means the Bloomberg Commodity Index 3 Month Forward<sup>SM</sup> and each other 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 in accordance with the Handbook using the methodology of the Bloomberg Commodity Index 3 Month Forward<sup>SM</sup>;

“**Unhedged Longer Dated Individual Commodity Index**” means an index for an individual commodity, as calculated and published by Bloomberg from time to time in accordance with the Handbook using the methodology of the Bloomberg Commodity Index 3 Month Forward<sup>SM</sup>;

“**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;

“**US Dollars**” or “**US\$**” means the lawful currency of the United States;

“**US Person**” means a “US person” as defined in Regulation S under the Securities Act; 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) Words in the masculine gender shall also include the feminine gender and vice versa.
- (e) 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.

- (f) Unless otherwise indicated, any reference in these Conditions to a time is a reference to local time in London, England.

## **2. STATUS OF COMMODITY SECURITIES**

Commodity Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3. The 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 Commodity Securities are secured pursuant to the Security Deed 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 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 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.

## **4. FORM AND TRANSFER**

- 4.1 Commodity Securities are in registered form and are individually transferable.
- 4.2 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 Commodity Securities in Uncertificated Form. A Security Holder may request that his Commodity Securities be held in Certificated Form, in which case such 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 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 Commodity Security, agrees to treat the Commodity Securities as equity interests in the Issuer for all U.S. federal tax purposes.

## **5. PRICE OF COMMODITY SECURITIES**

- 5.1 The Price for the first 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
- (a) in the case of Australian Dollar Commodity Securities, A\$10.0000000;
  - (b) in the case of Euro Commodity Securities, €10.0000000; and
  - (c) in the case of Sterling Commodity Securities, £10.0000000.
- 5.2 Subject to Condition 5.1, the Price for a Commodity Security of each class shall be calculated on each calendar day in accordance with Condition 5.3 below, save that:
- (a) an Indicative Price for a Commodity Security of any class shall be calculated in accordance with Condition 5.5 for any calendar day which is (i) a Commodity Market Disruption Day for Commodity Securities of that class; (ii) a day (not being a Pricing Day for that class) where the preceding day, which is both a General Trading Day and a Trading Day for the Commodity Index applicable to that class, was a Market Disruption Day for Commodity Securities of that class; or (iii) a FX Market Disruption Day for Commodity Securities of that class, and, subject to paragraph (c) below, on each such day no Price shall be calculated for the Commodity Securities of that class;
  - (b) in relation to a Commodity Security of any class, for a Pricing Day for that class where the preceding day which is both a General Trading Day and a Trading Day for the Commodity Index applicable to that class was a Market Disruption Day for Commodity Securities of that class, 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 Commodity Security on a Trading Day for the Commodity Index applicable to that class which is a General Trading Day but not a Pricing Day or a FX Market Disruption Day for such class then a Price shall be determined for that class 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).

## Pricing

5.3 Subject to Condition 5.1, Condition 5.2 and 5.4, the Price of a Commodity Security of a particular class for each calendar day will be an amount (which may not be negative) expressed in the Relevant Currency and determined using the relevant Commodity Index for that class by the following formula (calculated to seven places of decimals with 0.00000005 rounded upwards):

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

where:

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

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

$i$  refers to the relevant class of Commodity Security;

$t$  refers to the applicable calendar day;

$t-1$  refers to the calendar day prior to day t;

$I_{i,t}$  is the Closing Settlement Price Level of the Commodity Index to which Commodity Securities of class i relate for day t, *provided that* if day t is not a Pricing Day for Commodity Securities of class i, then  $I_{i,t}$  will be the same as  $I_{i,t-1}$ ;

$I_{i,t-1}$  is the Closing Settlement Price Level of the Commodity Index to which Commodity Securities of class i relate for day t-1; and

$CA_{i,t}$  is the Capital Adjustment applicable to Commodity Securities of class i and for day t, expressed as a decimal.

5.4 For any class of Commodity Securities, if day t-1 is not a Pricing Day for that class and was not a Market Disruption Day in respect of that class then  $I_{i,t-1}$  shall be the Closing Settlement Price Level of the Commodity Index applicable to a Commodity 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 Commodity Index.

## Indicative Pricing during Market Disruptions

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

*Calculation of Indicative Price on an initial Market Disruption Day that is a Commodity Market Disruption Day*

- (a) on a day which is not a FX Market Disruption Day in respect of that class but which is a Commodity Market Disruption Day for the Commodity Index applicable to that class and where the preceding day which is both a General Trading Day and a Trading Day for that Commodity Index was also a Pricing Day for that class (such Commodity Market Disruption Day being “**Commodity Market Disruption Day 1**”), the Indicative Price of a Commodity Security of such class shall be determined in accordance with the following formula (calculated to seven places of decimals with 0.00000005 rounded upwards):

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

where:

- $IP_{i,t}$  is the Indicative Price of a Commodity Security of class i for day t;
- $P_{i,t-1}$  is the Price of a Commodity Security of class i for day t-1;
- $i$  refers to the relevant class of Commodity Security;
- $t$  refers to the applicable calendar day (t=1 being Commodity Market Disruption Day 1);
- $t-1$  refers to the calendar day prior to day t;
- $I_{i,t}$  is the Closing Settlement Price Level of the Commodity Index applicable to Commodity Securities of class i for day t, *provided that* if no Closing Settlement Price Level is published in respect of day t, then  $I_{i,t}$  will be the same as  $I_{i,t-1}$ ;
- $I_{i,t-1}$  is the Closing Settlement Price Level of the Commodity Index to which Commodity Securities of class i relate for day t-1, *provided that* if day t-1 is not a Pricing Day for Commodity Securities of class i, then  $I_{i,t-1}$  shall be the Closing Settlement Price Level of the Commodity Index to which Commodity Securities of class i relate on the immediately preceding Pricing Day; and
- $CA_{i,t}$  is the Capital Adjustment applicable to Commodity Securities of class i and for day t, expressed as a decimal;

*Calculation of Indicative Price on any other calendar day that is not a FX Market Disruption Day*

- (b) on any calendar day (other than a FX Market Disruption Day in respect of the relevant class of Commodity Security) not falling within sub-paragraph (a) above for which an Indicative Price in respect of a class of Commodity Securities is required to be calculated hereunder, the Indicative Price of a Commodity Security of that class shall be determined in accordance with the following formula (calculated to seven places of decimals with 0.00000005 rounded upwards):

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

where:

- $IP_{i,t}$  is the Indicative Price of a Commodity Security of class i for day t;
- $IP_{i,t-1}$  is the Indicative Price of a Commodity 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 (a) or this sub-paragraph (b));
- $i$  refers to the relevant class of Commodity Security;
- $t$  refers to the applicable calendar day;
- $t-1$  refers to the calendar day prior to t, *provided that* if the preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate was a FX Market Disruption Day in respect of Commodity Securities of class i, then t-1 means *nfm*;
- nfm* means the immediately preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate that was not a FX Market Disruption Day in respect of Commodity Securities of class i;
- $CA_{i,t}$  is the Capital Adjustment applicable to Commodity Securities of class i on day t, *provided that* if the preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate was a FX Market Disruption Day in respect of Commodity Securities of class i, then  $CA_{i,t}$  shall mean:

$$\sum_{\Gamma=nfm+1}^t CA_{i,\Gamma}$$

where:

$CA_{i,\Gamma}$  is the Capital Adjustment applicable to a Commodity Security of class i for day  $\Gamma$ ;

$\Gamma$  (*Gamma*) represents each calendar day from but excluding *nfm* until and including t;

$NC$	means the total number of commodities in the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate;
$u$	is a commodity the Settlement Price of a futures contract relating to which is used in calculating the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate;
$j$	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 Commodity Securities of class $i$ on day $t-1$ calculated in accordance with Condition 5.7, <i>provided that</i> where day $t-1$ is not both a Trading Day for the Commodity Index to which Commodity Securities of class $i$ relate and a General Trading Day, then it shall be the Theoretical Hedge Position for such futures contract on the first day preceding day $t-1$ which is both a Trading Day for such 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class $i$ relate, calculated in accordance with the Handbook, <i>provided that</i> where day $t$ is not both a Trading Day for that 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class $i$ relate, calculated in accordance with the Handbook, <i>provided that</i> (i) where day $t-1$ is not both a Trading Day for that Commodity Index and a General Trading Day, then it shall be the weighted value for such futures contract on the first day preceding day $t-1$ which is both a Trading Day for that Commodity Index and a General Trading Day; or (ii) where day $t-1$ is a day falling within the definition of Commodity Market Disruption Day 1 in Condition 5.5(a) and on which no Closing Settlement Price Level is published for that Commodity Index, then it shall be the weighted value for such futures contract on the first day prior to day $t-1$ on which a Closing Settlement Price Level is published for that Commodity Index;
$CIM_{t,j}^u$	means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day $t$ for futures contract $j$ of commodity $u$ , <i>provided that</i> where day $t$ is not both a Trading Day for the Commodity Index to which Commodity Securities of class $i$ relate and a General Trading Day, then it shall be equal to $CIM_{t-1,j}^u$ ;

$CIM_{t-1,j}^u$  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 Commodity Index to which Commodity Securities of class i relate and a General Trading Day, then it shall be equal to the Commodity Index Multiplier (as so defined) for such futures contract on the first day preceding day t-1 which is both a Trading Day for that Commodity Index and a General Trading Day; and

$FX_{i,t}$  means the Foreign Exchange Rate for the Commodity Index to which Commodity Securities of class i relate on day t;

*Calculation of Indicative Price on a FX Market Disruption Day*

- (c) on a day which is a FX Market Disruption Day in respect of a class of Commodity Securities, then the Indicative Price of any Commodity Security of such class on day t shall be equal to the Price or Indicative Price (whichever is the most recent) calculated in respect of such class on the immediately preceding day that was not a FX Market Disruption Day in respect of such class of Commodity Securities; and

*Cessation of calculation of Indicative Price*

- (d) the Indicative Price of a Commodity Security of any class shall cease to be calculated pursuant to paragraphs (a) to (c) above on the first day following the occurrence of the relevant Market Disruption Event(s) which both (i) is not a Market Disruption Day in respect of such class, and (ii) is a Pricing Day for that class, 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 Commodity Security of any class, if day t is a Pricing Day in respect of such class and the preceding General Trading Day which is a Trading Day for the Commodity Index applicable to that class was a Market Disruption Day in respect of such class, then the Price of such Commodity Security shall be determined in accordance with the following formula (calculated to seven places of decimals with 0.00000005 rounded upwards):

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

where:

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

$IP_{i,t-1}$  is the Indicative Price of a Commodity Security of class i for day t-1;

$i$  refers to the relevant class of Commodity Security;

$t$  refers to the applicable calendar day;

*t-1* refers to the calendar day prior to day t, *provided that* if the preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate was a FX Market Disruption Day in respect of Commodity Securities of class i, then t-1 means *nfm*;

*nfm* means the immediately preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate that was not a FX Market Disruption Day in respect of Commodity Securities of class i;

$CA_{i,t}$  is the Capital Adjustment applicable to Commodity Securities of class i on day t, *provided that* if the preceding General Trading Day which is a Trading Day for the Commodity Index to which Commodity Securities of class i relate was a FX Market Disruption Day in respect of Commodity Securities of class i, then  $CA_{i,t}$  shall mean:

$$\sum_{\Gamma=nfm+1}^t CA_{i,\Gamma}$$

where:

$CA_{i,\Gamma}$  is the Capital Adjustment applicable to a Commodity Security of class i for day  $\Gamma$ ;

$\Gamma$  (*Gamma*) represents each calendar day from but excluding *nfm* until and including t;

*NC* means the total number of commodities in the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate;

$HP_{i,t-1,j}^u$  means the Theoretical Hedge Position for futures contract j of commodity u in respect of Commodity Securities of class i on day t-1 calculated in accordance with Condition 5.7, *provided that*, where day t-1 is not both a Trading Day for the Commodity Index to which Commodity Securities of class i relate and a General Trading Day, then it shall be the Theoretical Hedge Position for such futures contract on the first day preceding day t-1 which is both a Trading Day for the relevant 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate, 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate, calculated in accordance with the Handbook, *provided that* (i) where day t-1 is not both a Trading Day for that Commodity Index and a General Trading Day, then it shall be the weighted value for such futures contract on the first day preceding day t-1 which is both a Trading Day for that Commodity Index and a General Trading Day; or (ii) where day t-1 is a day falling within the definition of Commodity Market Disruption Day 1 in Condition 5.5(a) and on which no Closing Settlement Price Level is published for that Commodity Index, then it shall be the weighted value for such futures contract on the first day prior to day t-1 on which a Closing Settlement Price Level is published for that Commodity Index;
- $CIM_{t,j}^u$  means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day t for futures contract j of commodity u;
- $CIM_{t-1,j}^u$  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 a Trading Day for the Commodity Index to which Commodity Securities of class i relate but where day t-1 is a General Trading Day then it shall be equal to the Commodity Index Multiplier (as so defined) for such futures contract on the first day preceding day t-1 which is both a Trading Day for that Commodity Index and a General Trading Day; and
- $FX_{i,t}$  means the Foreign Exchange Rate for the Commodity Index to which Commodity Securities of class i relate on day t.

### Theoretical Hedge Position

- 5.7 In these Conditions, the “**Theoretical Hedge Position**” in respect of a particular futures contract and commodity shall be as follows:

*Theoretical Hedge Position for a particular futures contract and commodity on a Pricing Day*

- (a) the Theoretical Hedge Position for futures contract j of commodity u in respect of a Commodity Security of class i on day t on any day which is a Pricing Day for Commodity Securities of such class (or, for the purposes of paragraph (b)(ii), on any other calendar day in respect of which it is required to be calculated for such purposes) shall be the number determined in accordance with the following formula:

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

where:

$HP_{i,t,j}^u$  means the theoretical Hedge Position for futures contract j of commodity u in respect of a Commodity Security of class i on day t;

$i$  refers to the relevant class of Commodity Security;

$t$  refers to the applicable calendar day;



- $j$  means in relation to commodity  $u$ , is either a Lead Future or a Next Future and where  $j=1$  it is a Lead Future and  $j=2$  it is Next Future;
- $u$  is a commodity, the Settlement Price of a futures contract relating to which is used in calculating the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class  $i$  relate;
- $P_{i,t}$  is the Price of a Commodity Security of class  $i$  on day  $t$ ;
- $FX_{i,t}$  means the Foreign Exchange Rate for the Commodity Index to which Commodity Securities of class  $i$  relate on 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class  $i$  relate on the following Trading Day for the relevant Commodity Index;
- $RW_{t,k}^v$  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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class  $i$  relate on the following Trading Day for the relevant Commodity Index;
- $NC$  means the total number of commodities in the Unhedged Commodity Index corresponding to the Commodity Index applicable to Commodity Securities of class  $i$ ;
- $v$  means each commodity in the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class  $i$  relate;
- $k$  means in relation to commodity  $v$ , is either a Lead Future or a Next Future and where  $k=1$  it is a Lead Future and  $k=2$  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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class  $i$  relate; and

### *Theoretical Hedge Position on a Commodity Market Disruption Day*

- (b) the Theoretical Hedge Position for futures contract j of commodity u in respect of a Commodity Security of class i on day t on any day which is a Commodity Market Disruption Day in respect of such class of Commodity Securities:
- (i) (in the case of a class of Commodity Securities to which a Composite Commodity Index applies) for those commodities for which such day is not a Commodity Market Disruption Day, shall be the number calculated using the formula set out in paragraph (a) above, *save that* the value  $P_{i,t}$  shall be replaced with the value of  $IP_{i,t}$  being the Indicative Price of a Commodity Security of class i for day t calculated in accordance with Condition 5.5 above; and
- (ii) for those commodities for which such day is a Commodity 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 a Commodity Security of class i on day t; and

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

### **Redemptions during Market Disruption Days**

- 5.8 If day t is a Commodity Market Disruption Day but not a FX Market Disruption Day for the Commodity Index relating to a Commodity Security of any class, then paragraphs (b) and (c) of Condition 7.11 shall apply in respect of the Redemption of a Commodity Security of that class.
- 5.9 No Redemptions of a particular class of Commodity Securities may occur on day t if day t is a FX Market Disruption Day in respect of such class of Commodity Securities.

### **Publication of Prices**

- 5.10 The Issuer has undertaken in the Trust Instrument to use its reasonable endeavours to procure that the Prices for all types of Currency-Hedged Commodity Securities are calculated as at the end of each Pricing Day for each type of Commodity Securities, to procure that any Indicative Prices are calculated as at the end of each day when required hereunder and to post its calculations of such Prices and any Indicative Prices on the Issuer's website at <http://www.ETFSecurities.com/hcsl>.

## 6. CAPITAL ADJUSTMENT

The calculation of the Price at which 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 Commodity Security shall be as agreed from time to time between the Commodity Contract Counterparties and the Issuer.

## 7. REDEMPTION OF COMMODITY SECURITIES BY SECURITY HOLDERS

### Redemption Entitlement

7.1 Each 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 Commodity Security on the applicable Pricing Day determined in accordance with Condition 5 (“**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 7.15 (“**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 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 Commodity Securities if either:

- (a) on any Issuer Business 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 Issuer Business 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 an Issuer Business Day a valid notice in the form prescribed for the purpose by the Issuer requesting Redemption of such 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 (expressed 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 in respect of all of the Commodity Securities thereby Redeemed multiplied by the Settlement Foreign Exchange Rate for that class and the Pricing Date in respect of that Redemption; or
  - (b) if the Redemption is pursuant to an Agreed Redemption Form in which an amount expressed in US Dollars is specified as the Redemption Amount, such amount; or
  - (c) if the Redemption is pursuant to an Agreed Redemption Form in which an amount in the Relevant Currency is specified, an amount in US Dollars determined in the same manner (*mutatis mutandis*) as in paragraph (a) save substituting such amount in the Relevant Currency for the sum of the amounts determined in accordance with Condition 7.1(a) in respect of all the Commodity Securities thereby Redeemed.
- 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 Commodity Securities of a particular class or classes 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 Commodity Securities of that class or those classes 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 or those classes of Commodity Securities); or
  - (b) submitted by any Authorised Participant, to the extent that the cancellation of Commodity Contracts corresponding to the Redemption of all 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 Commodity Securities and that Authorised Participant).

For the purposes of this Condition, the “**Commodity Contract Counterparty Redemption Limit**” with respect to a class or classes of Commodity Securities (or in relation to any class or classes of Commodity Securities any commodities the Settlement Price of futures contracts relating to which are included in the calculation of the Corresponding Unhedged Commodity Index relating to that class or those classes of Commodity Securities) and a Commodity Contract Counterparty is the amount expressed

in US Dollars agreed between the Issuer and that Commodity Contract Counterparty as the redemption limit in respect of the corresponding class or classes of Commodity Contracts (or the commodities the Settlement Price of futures contracts relating to which are included in the calculation of the Corresponding Unhedged Commodity Index relating to that class or those classes 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 7.12 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 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 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 or has (or have) not agreed (generally or in the particular case) 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 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 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 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 Commodity Securities, in respect of which notice has been given in accordance with Condition 8.5;
- (i) if it relates to the Redemption of Commodity Securities that are the subject of a Listing Failure; or
- (j) if it is invalid pursuant to Condition 7.19(c) or Condition 7.20(c); or
- (k) if a FX Restriction Event has occurred and is continuing and any Commodity Contract Counterparty has, by 8.00 a.m. on the relevant Issuer Business Day, given notice of that FX Restriction Event to the Issuer and each Authorised Participant and has not given notice of its cessation, in each case in accordance with the relevant Facility Agreement; or
- (l) if the day that such Settlement Redemption Form is received (or deemed received pursuant to Condition 7.12) is a FX Market Disruption Day in respect of such class of Commodity Securities,

and, save as provided in Condition 7.8(f), no 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 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.

7.10 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 (*Satisfaction 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 class of 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.

7.11 If a Settlement Redemption Form in relation to a class of 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 a Pricing Day for the class of Commodity Securities to be Redeemed pursuant to that Settlement Redemption Form, all those Commodity Securities will be Priced on Day 1 (and that day shall be the Pricing Date for such class of Commodity Securities);

- (b) if Day 1 is for a particular class of Commodity Securities neither a Pricing Day for such class of Commodity Securities nor a Trading Day for any of the commodities by reference to the Settlement Prices for which the Corresponding Unhedged Commodity Index relating to the class of Commodity Securities to which the Settlement Redemption Form relates is calculated, then:
- (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 Commodity Securities shall be Redeemed in respect of or under that Settlement Redemption Form; and
  - (ii) if no notice is issued under Condition 7.11(b)(i) then such Commodity Securities shall be Priced in accordance with Condition 7.11(c);
- (c) 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 Unhedged Commodity Index corresponding to the Commodity Index relating to a Commodity Security of class i relates is calculated (in whole or in part) then that Commodity Security will not be Priced until the next General Trading Day on which each such futures contract has had one or more Pricing Days (which are not FX Market Disruption Days in respect of the Relevant Currency in relation to Commodity Securities of class i). In such circumstances or if this Condition 7.11(c) applies pursuant to Condition 7.11(b)(ii), the Price of a Commodity Security of that class for a Settlement Redemption Form deemed received on Day 1 will be an amount (which may not be negative) expressed in the Relevant Currency calculated (to seven places of decimals with 0.00000005 rounded upwards) in accordance with the following formula:

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

where:

- $P_{i,t}$  is the Price of a Commodity Security of class i for day t;
- $IP_{i,t}$  is the Indicative Price (determined in accordance with Condition 5.5) of a Commodity Security of class i for day t;
- $i$  refers to the relevant class of Commodity 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 Commodity Security is Priced, being the General Trading Day on which each futures contract by reference to the Settlement Price for which the relevant Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i is calculated has had at least one Pricing Day (which is not a FX Market Disruption Day in respect of the Relevant Currency in relation to Commodity Securities of class i) 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 Commodity Securities of class i on day $\Gamma+1$ ;
$\Gamma$	(Gamma) represents each calendar day from and including t until and including IPD-1;
$\tau$	(Tau) 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 Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate which are the subject of a Commodity Market Disruption Event on Day 1;
$w$	is a commodity the settlement price of a futures contract relating to which is used in calculating the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate which is subject to a Commodity 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 (but not a FX Market Disruption Day in respect of the Relevant Currency in relation to Commodity Securities of class i) for commodity w;
$CPD^{w-1}$	refers to the calendar day prior to $CPD^w$ ;
$j$	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) for futures contract j of commodity w in respect of Commodity Securities of class i on day $\tau$ ;
$WAV_{\tau+1,j}^w$	means the weighted value for futures contract j of commodity w on day $\tau+1$ used for calculating the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate, calculated in accordance with the Handbook, <i>provided that</i> where day $\tau+1$ is not a General Trading Day or where day $\tau+1$ is a FX Market Disruption 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 $\tau$ used for calculating the Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of class i relate, calculated in accordance with the Handbook, <i>provided that</i> where day $\tau$ is



not a General Trading Day or where day  $\tau$  is a FX Market Disruption Day, then it shall be the weighted value for such futures contract on the General Trading Day preceding day  $\tau$ ;

$CIM_{\tau,j}^w$  means the Commodity Index Multiplier (as defined in the Handbook from time to time) on day  $\tau$  for futures contract  $j$  of commodity  $w$ , *provided that* where day  $\tau$  is not a General Trading Day or where day  $\tau$  is a FX Market Disruption Day, then it shall be equal to the Commodity Index Multiplier (as so defined) for such futures contract on the first General Trading Day prior to day  $\tau$ ;

$CIM_{\tau+1,j}^w$  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 or where day  $\tau+1$  is a FX Market Disruption Day, then it shall be equal to  $CIM_{\tau,j}^w$ ; and

$FX_{i,\tau+1}$  means the Foreign Exchange Rate for the Commodity Index to which Commodity Securities of class  $i$  relate on day  $\tau+1$ , *provided that* where day  $\tau+1$  is a FX Market Disruption Day then  $FX_{i,\tau+1}$  shall be equal to 1;

(d) where Condition 7.11(c) applies, the Pricing Date in respect of the Settlement Redemption Form relating to the Commodity Securities concerned will be the next General Trading Day after Day 1 on which each futures contract by reference to the Settlement Price for which the relevant Unhedged Commodity Index corresponding to the Commodity Index to which Commodity Securities of the relevant class relate is calculated has had one or more Pricing Days (which are not FX Market Disruption Days in respect of the Relevant Currency in relation to Commodity Securities of class  $i$ );

(e) where Condition 7.11(c) 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 7.11(c) 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 7.11(c) 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 7.11(c);

(ii) if a Price has not been determined in accordance with Condition 7.11(c) or 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 sub-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 7.11(c) and, for each relevant futures contract for which a Commodity Market Disruption Event would (but for this paragraph (e)) 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 Commodity Market Disruption Event would (but for this paragraph (e)) 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 7.11(c). 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 7.11(c) and, for each relevant futures contract for which a Commodity Market Disruption Event would (but for this paragraph (e)) 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 Commodity 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.

- 7.12 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.
- 7.13 Within one Issuer 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.
- 7.14 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

- 7.15 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:
- (a) the Redemption by the Issuer of a number and class of Commodity Securities specified in the notice(s); and
  - (b) either:
    - (i) the amount expressed in US Dollars which is the Redemption Amount for those Commodity Securities; or
    - (ii) an amount expressed in the Relevant Currency which when expressed in US Dollars in accordance with paragraph (c) of Condition 7.4 will be the Redemption Amount for those Commodity Securities.
- 7.16 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 7.18(a), 7.18(b) or 7.18(c); or
  - (b) one of which is invalid under Condition 7.18,
- 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.
- 7.17 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.
- 7.18 An Agreed Redemption Form shall be invalid in the circumstances specified in Condition 7.20(c) or if it does not set out:
- (a) the number and class of Commodity Securities to be Redeemed;
  - (b) an amount as specified in paragraph (b) of Condition 7.15(b); 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**

7.19 If the Price of a class of 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 Commodity Securities of that class pursuant to Condition 7.1(a) 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, 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 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 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 Commodity Securities of that class may have been specified pursuant to that Condition which is not all of those Commodity Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Commodity Securities of that class.

7.20 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 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 7.20, 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 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 and upon 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 Commodity Securities, or all 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 Commodity Securities, or all 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 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 Price (as at the date of the last signature) of the affected Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded to its satisfaction, give notice to the Issuer that all the affected Commodity Securities outstanding are required to be Redeemed and nominating an Issuer Business Day falling not less than 20 London Business Days (or two London 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 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 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 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 Commodity Securities attributable to that Pool but shall apply (*mutatis mutandis*) to the New 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 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 Commodity Securities of a particular class if:

(a) a Commodity Index which relates to that class of 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 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 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 or reduce 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 Commodity Securities (which may not be all of those Commodity Securities) to be redeemed in consequence of such notice and if in relation to any particular class of Commodity Securities the Issuer does not redeem all the outstanding Commodity Securities they will be redeemed in accordance with Condition 8.12 *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 Commodity Securities of a particular class is subject to Condition 7.19.

### **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 Commodity Security falls to 2.5 times the Principal Amount of such 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 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 Commodity Security and subject to Condition 3.2 investors will receive a sum on such Compulsory Redemption calculated in accordance with Condition 8.12. 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 Commodity Security falls to 2.5 times the Principal Amount (as so reduced) of such Commodity Security or below.

### **Compulsory Redemption for cause**

8.8 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 General Trading Days and not more than fourteen General Trading Days following the date of the notice) to be a Compulsory Redemption Date in respect of 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 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 Commodity Securities, or (ii) that the ownership or holding or continued ownership or holding of those 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 Commodity Securities held by it, a notice given by the Issuer under this Condition shall relate only to those Commodity Securities (and not any other Commodity Securities held by that Security Holder).

- 8.9 If a Security Holder which is the subject of a notice under Condition 8.8 provides to the Issuer prior to the Notice Deadline proof required by the Issuer that its Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Commodity Securities referred to in that notice shall not be redeemed under these Conditions.
- 8.10 If a Security Holder which is the subject of a notice under Condition 8.8 does not provide to the Issuer prior to the Notice Deadline proof required by the Issuer that its Commodity Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the 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 Commodity Securities.
- 8.11 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 Commodity Securities, or any other grounds save that such powers shall have been exercised in good faith.

### **Compulsory Redemptions**

- 8.12 Where a Compulsory Redemption Date is notified in accordance with these Conditions other than pursuant to Condition 8.8, 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 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 Commodity Securities to which the Compulsory Redemption Date relates shall be priced until Commodity Securities of that class (including, in the case of a Compulsory Redemption Date notified in accordance with Condition 8.6, all those 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 Commodity Securities in question into an appropriate CREST account or otherwise delivering such Commodity Securities to the Issuer by agreement with the Issuer) pay into the

appropriate Redemption Account(s) (i) the aggregate amount being the sum, for each of the Compulsory Pricing Date and any such required successive Pricing Day for each relevant class, of the Prices or, if higher in each case but not in aggregate (but subject to Condition 3.2), the Principal Amounts of all Commodity Securities of that class thereby priced on such day multiplied by the Settlement Foreign Exchange Rate for Commodity Securities of that class and that day together with (ii) 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 aggregate amount in (i) of Condition 8.12(c) (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 Commodity Securities which were so priced shall be cancelled.

8.13 Where a Compulsory Redemption Date is notified to a Security Holder in accordance with Condition 8.8:

- (a) the Redemption Amount with respect to such Redemption shall be the amount equal to the sum, for each of the Compulsory Redemption Date and any required successive Pricing Day as provided in paragraph (b), of the Prices for the relevant Commodity Securities multiplied by the Settlement Foreign Exchange Rate for Commodity Securities of the relevant class and that day, 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 Commodity Securities shall be priced until 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 Commodity Securities in question into an appropriate CREST

account or otherwise delivering such Commodity Securities to the Issuer in such manner as may be agreed by the Issuer or otherwise all such 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 Commodity Securities, the Security Holder which holds those Commodity Securities which are the subject of that Redemption must deposit the 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 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 Commodity Securities, unless the Redemption Form is validly withdrawn (in accordance with Condition 7.11(b)(i)) the 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 Commodity Securities.
- 9.2 Failure by a Security Holder to deposit those Commodity Securities into an appropriate CREST account and give correct delivery versus payment instructions shall not invalidate the Redemption of those Commodity Securities. Where settlement of a Redemption of Commodity Securities is delayed due to the failure of the Security Holder to deposit the Commodity Securities in question into an appropriate CREST account or give correct delivery versus payment instructions or otherwise deliver such 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 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 Commodity Securities.
- 9.3 Where 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 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 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 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 Commodity Securities held by such Security Holder and which are to be redeemed, by such beneficial owner, 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 Commodity Securities by the Issuer pursuant to the occurrence of a Listing Failure, and delivery of 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 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 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 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 Commodity Securities being redeemed.

10.3 On a Redemption of 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 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 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 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 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 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 London Business 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 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 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 Commodity Securities held by it, specifying the number and

class of 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 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 Commodity Securities or the Trust Instrument):
- (a) to determine whether a Commodity Market Disruption Event or a FX Market Disruption Event exists;
  - (b) to source the Foreign Exchange Rate for every day which is a Trading Day for any commodity, whether or not such day is also a General Trading Day, from Bloomberg (or such other person or entity from time to time fulfilling the functions provided by it as at the date of the Trust Instrument under the Handbook) and notify the Issuer thereof;
  - (c) if for any reason the BFIX Rate for any day and Currency is not available, to determine a substitute Settlement Foreign Exchange Rate using so far as practicable the methodology used by Bloomberg in producing the BFIX Rate for that Currency and to provide such substitute Settlement Foreign Exchange Rate to the Issuer by 9.00 p.m. on each relevant day;
  - (d) if an Individual Commodity Index is not published for five or more consecutive General Trading Days by reason of those General 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 General Trading Days by reason of those General Trading Days being Market Disruption Days in relation to any commodity the Settlement Price of which is used to determine the Unhedged Commodity Index corresponding to that Composite Commodity Index, to calculate and provide to the Issuer in each case a substitute value for that Commodity Index on each subsequent General Trading Day for as long as the Market Disruption Event continues;
  - (e) if a Commodity Index is not published on a General Trading Day for any reason other than that General 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 General Trading Day and for each subsequent General Trading Day for as long as the non-publication continues;
  - (f) if a FX Market Disruption Event occurs and five or more consecutive General Trading Days are FX Market Disruption Days, to calculate and provide a substitute Foreign Exchange Rate in respect of each Currency that is the subject of such FX Market Disruption Event on each subsequent General Trading Day for as long as the FX Market Disruption Event continues;

- (g) to make the determinations and calculations provided for in Condition 7.11(e)(iii); and
  - (h) for every day (a “**Relevant Day**”) in respect of which the Calculation Agent is required to provide a substitute value of any Commodity Index as referred to in Conditions 14.1(d) and 14.1(e), the Calculation Agent will also be required to provide substitute values of (a) such futures contracts in respect of such commodities on such days; (b) the Commodity Index Multiplier (as defined in the Handbook from time to time) for such futures contracts in respect of such commodities on such days; and (c) the Foreign Exchange Rate for such Commodity Index on such days, as are in each case required for any calculations of Price and/or Indicative Price and/or Theoretical Hedge Position as referred to in these Conditions in respect of such Relevant Day.
- 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 and subject to the terms of the Facility Agreement (or such calculation agency agreement) 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 or any weighted value or Commodity Index Multiplier (as defined in the Handbook from time to time) for futures contracts 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 on the applicable changes in the relevant Foreign Exchange Rate; 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 General Trading Day, that substitute value shall be used in the calculation of the Price of Commodity Securities to which that Commodity Index is applicable for that General 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, 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 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 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 and/or funded 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 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 Commodity Securities (as a whole) then outstanding or by an Extraordinary Resolution of the Security Holders holding affected Commodity Securities (as a single class), the Trustee having first been indemnified and/or secured and/or funded 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 Commodity Securities and for this purpose (and Condition 15.4) “**affected 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 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 Issuer Business Day until the date one month from such Issuer Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the 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 Commodity Securities of any class pursuant to Condition 7.1(a) is suspended pursuant to Condition 7.19 or the right to Redeem Commodity Securities of any class is suspended pursuant to Condition 7.20, then the right to Redeem Commodity Securities of that class pursuant to Condition 15.2 shall be suspended in like manner and the provisions of Condition 7.19(c) or Condition 7.20(c) (as the case may be) shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 7.19 or Condition 7.20 (as the case may be), the right to Redeem 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 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 Deed. Where the Trustee has elected or been directed to enforce the Issuer's obligations under the Trust Instrument and the security constituted by the 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 Commodity Securities of a particular class outstanding at the Election Date will be the average Redemption Amount of the remaining Commodity Securities of that class.
- 15.6 If the Trustee takes any action pursuant to Condition 15.1 with respect to any Commodity Securities to which a Defaulted Obligation relates, it shall give notice to the Issuer that such 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.
- 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 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 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 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 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 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 Security Deed or with the prior written consent of the Trustee, 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 Commodity Securities and the acquisition and disposal of Commodity Contracts and 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 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; 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 Commodity Securities for such purposes. Any such additional classes of 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 Individual Securities are initially issued, or involve the same commodities but different commodity indices, or be Index Securities involving different composite commodity indices, or be denominated in a different currency. 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, 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 an instrument amending the 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 Commodity Securities**”) of a new class referable to the same Commodity Index and otherwise on the same terms as the Commodity Securities attributable to the Existing Pool (the “**Existing 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 Commodity Securities) and on terms that such New 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 Commodity Securities to the Security Holders of the Existing Commodity Securities outstanding immediately prior to the transfer becoming effective on the basis of one New Commodity Security for each Existing Commodity Security then held. For this purpose (but subject as provided in paragraph (e)) any 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 Commodity Security shall (subject as provided in paragraph (e)) be the proportion of the principal amount and Price respectively, of each Existing Commodity Security outstanding immediately prior to the transfer becoming effective (including any calculation 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 Commodity Securities becoming effective the principal amount and Price of each Existing Commodity Security shall be reduced accordingly;
- (d) the Issuer shall enter into a deed with the Trustee amending the Security Deed with the Trustee in relation to the assets attributable to the New Pool to secure the New Commodity Securities in the same manner (*mutatis mutandis*) as under the Security Deed in relation to the Existing Pool, and the Trustee shall release the property to be transferred from the Existing Pool to the New Pool; and
- (e) any valid Redemption Form received or deemed received prior to (and being in respect of 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 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 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 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 Commodity Securities or of the New 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 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 Commodity Securities was received or deemed received shall not be issued New Commodity Securities as provided in paragraph (b) and instead each of the Existing Commodity Securities to which such Redemption Form relates shall be divided into Existing Commodity Securities or New 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 Commodity Security ranking *pari passu* with and having the same principal amount and Price as the other Existing Commodity Securities of that class as reduced in accordance with paragraph (c) and each such New Commodity Security ranking *pari passu* with and having the same principal amount and Price as the other New 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 Commodity Securities or New Commodity Securities (as the case may be) as has the same aggregate principal amount as had the Existing 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 Commodity Securities of any class into 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 Commodity Securities a Security Holder would become entitled to a fraction of a Commodity Security the Issuer will Redeem such fraction of a Commodity Security.

**19. ISSUER'S ABILITY TO PURCHASE COMMODITY SECURITIES**

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase 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 Commodity Securities remain outstanding, maintain a Listing for the 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 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 Deed, 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 Price (as at the date of the last signature) of the 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 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 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 Commodity Securities and the Trust Instrument are governed by the laws of Jersey. The Security Deed is governed by the laws of England. Notwithstanding the submission to the jurisdiction of the English courts contained in the Security Deed, 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 paragraphs (a), (d), (e), (f), (g) and (h) 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 Commodity Securities of that class or classes which are the subject of the substitution, or, if any such consequential changes include a change to the currency of denomination of the Commodity Securities of that class or classes, that at the time of the substitution of the index the aggregate Price of the Commodity Securities of that class or classes is equal to the equivalent in such other currency of the aggregate Price of the Commodity Securities of that class or classes (rounded down for each of the Commodity Securities of that class or classes to seven decimal places); 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 amendment is to substitute a different foreign exchange rate or a rate produced by a different provider for the BFIX Rate for any one or more Currencies and consequential changes *provided that* the substitution and consequential changes do not take effect until at least ten calendar days have elapsed after they are announced to Security Holders in an RIS announcement;



- (f) the amendment is to substitute a new formula or mechanism in place of the provisions of Condition 7.11(b) to 7.11(d) (inclusive) and corresponding changes to the Facility Agreements where the Issuer certifies to the Trustee that the Issuer and the Commodity Contract Counterparties consider that the provisions of Condition 7.11(b) to 7.11(d) (inclusive) (and the corresponding provisions in the Facility Agreements) do not operate or have the effect in relation to days that are or follow a Market Disruption Day they intended;
  - (g) the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different classes of Commodity Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each class of Commodity Security affected passed in accordance with the Trust Instrument;
  - (h) Paragraph (g) 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
  - (i) 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 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 London 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 Condition 28.2 and Condition 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 Condition 28.2(g) and Condition 28.2(h) 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 Condition 28.2(b), Condition 28.2(c), Condition 28.2(i) or Condition 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 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 Hedged 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 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 Commodity Securities (including, without limitation, any interest payable under Condition 8.12 or Condition 11) 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 New York Business Day, such payment shall be due and payable by the payer on the next following Business Day.