

BASE PROSPECTUS

LEVERAGE SHARES PUBLIC LIMITED COMPANY

(a public company incorporated with limited liability in Ireland)



COLLATERALISED EXCHANGE TRADED SECURITIES PROGRAMME

*Under the Collateralised Exchange Traded Securities Programme described in this Base Prospectus (the “**Programme**”), Leverage Shares Public Limited Company (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue collateralised exchange traded securities (the “**ETP Securities**”) which provide exposure to a range of asset classes including equity securities, debt securities, fixed income securities, units in exchange traded funds and futures contracts by either seeking to track an index (“**Index**”) or by pursuing a stated investment strategy (“**Investment Strategy**”), on the terms set out herein, as completed by the final terms in respect of the relevant ETP Securities (the “**Final Terms**”). The aggregate number of ETP Securities issued under the Programme will not at any time exceed 1,000,000,000. Investors should note that the Issuer anticipates that the Base Prospectus and other Programme Documents (as defined herein) may be amended from time to time to permit the Issuer to issue series of ETP Securities backed by asset classes other than as described herein. Investors should also note that while at the date of this Base Prospectus, all Series of ETP Securities issued pursuant to the Programme will be linked to an Index or Investment Strategy, the Issuer anticipates that the Programme may be amended in the future to facilitate the issue of ETP Securities which are not linked to Indices or Investment Strategies.*

The ETP Securities may offer long or short exposure to the performance of the assets underlying such Indices or Investment Strategies.

ETP Securities will be issued in Series (as defined in the section entitled “Description of the Programme”) and each Series will be secured in favour of the Trustee (as described in the section entitled “Security Arrangements”). Claims against the Issuer by holders of the ETP Securities of a particular Series or of any other party to a Programme Document (save as otherwise disclosed in the risk factor entitled “Limited recourse obligations, non-petition and related risks” on page 22) in respect of that Series, will be limited to the Secured Property applicable to that Series.

This Base Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the ETP Securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the ETP Securities.

If the net proceeds of the enforcement of the security over the Secured Property for a Series are not sufficient to make all payments then due in respect of the ETP Securities of that Series and, if applicable, the claims of any other Programme Parties (as defined herein and save as otherwise disclosed in the risk factor entitled “Limited recourse obligations, non-petition and related risks” on page 22), the obligations of the Issuer will be limited to such net proceeds and the other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any further payment in excess of such net proceeds and no debt shall be owed by the Issuer in respect of such shortfall. Furthermore, the ETP Securityholders, or any person on their behalf, will not be able to take any action against the Issuer (including instituting, or joining with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer) to recover any such shortfall.

The ETP Securities will be obligations solely of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

The Issuer has requested the Central Bank to notify the approval of the Base Prospectus in accordance with Article 25 of the Prospectus Regulation to the United Kingdom Financial Conduct Authority (“**FCA**”), the Commissione Nazionale per la Società e la Borsa of Italy, the *Bundesanstalt für Finanzdienstleistungsaufsicht* of Germany, *Autorité des Marchés Financiers* of France, the *Comisión Nacional del Mercado de Valores* of Spain and the *Autoriteit Financiële Markten* (Authority for the Financial Markets) of the Netherlands by providing them with, *inter alia*, certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other EEA Member States with such certificates whether for the purposes of making a public offer in such Member States or for admission to trading of all or any Series of ETP Securities on a regulated market therein or both.

Application may be made to the FCA for the ETP Securities issued under this Programme to be admitted to the Official List of the FCA. Application may be made to the London Stock Exchange plc (the “**London Stock Exchange**”) for the ETP Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange.

Application may be made to Cboe Europe Limited for the ETP Securities issued under this Programme to be admitted to listing and trading on Cboe’s recognised investment exchanges (“**Cboe**”).

Application may be made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) (the “**Frankfurt Stock Exchange**”) for ETP Securities issued under this Programme to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange. Application may be made to the Italian Stock Exchange (*Borsa Italiana*) (the “**Italian Stock Exchange**”) for ETP Securities issued under this Programme to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the Italian Stock Exchange and/or SeDeX, the multilateral trading facility of the Italian Stock Exchange (“**SeDeX**”).

Application may be made to Euronext Paris for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Paris.

Application may be made to Euronext Amsterdam for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.

Application may be made to Euronext London for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext London, the regulated market operated by Euronext London.

References in this Base Prospectus to ETP Securities being “listed” (and all related references) shall mean that such ETP Securities have been admitted to trading on some or all of (i) the London Stock Exchange; (ii) Cboe; (iii) the Frankfurt Stock Exchange; (iv) the Italian Stock Exchange, including SeDeX; (v) Euronext Paris; (vi) Euronext Amsterdam; (vii) Euronext London and/or an alternative market, which are each regulated markets or multilateral trading facilities for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “**MiFID II**”). The relevant Final Terms in respect of the issue of any ETP Securities will specify which exchange(s) or trading facilities the ETP Securities will be admitted to trading on.

ETP Securities are complex, structured products involving a significant degree of risk. In particular, an investment in ETP Securities giving short and/or leveraged exposure to the performance of the assets underlying the applicable Index or Investment Strategy is only appropriate for investors that understand the increased risk caused by such features. Prospective purchasers of ETP Securities should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisors in order to determine the merits and risks of an investment in the ETP Securities and the suitability to them of an investment to them in the light of their own circumstances and financial condition. The ETP Securities involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. See “Risk Factors” on pages 11 to 32.

This Base Prospectus does not describe all of the risks of an investment in the ETP Securities. This Base Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, the Trustee, the Issuing and Paying Agent, the Margin Loan Provider, the Custodian or any other Programme Party that any recipient of this Base Prospectus should purchase the ETP Securities.

Arranger

Leverage Shares Management Company Limited

Initial Authorised Participant

BNP Paribas Arbitrage S.N.C.

The date of this Base Prospectus is 5 February 2020.

IMPORTANT NOTICES

The Issuer accepts responsibility for all information contained in this document. To the best of the knowledge of the Issuer, which has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under the applicable law.

The information in the section of this Base Prospectus headed "The "Indices" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the relevant Index Sponsor, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "Description of the Reference Assets" consists only of extracts from, or summaries of, publicly available information. Such publicly available information was not prepared in connection with the offering of the ETP Securities. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the relevant Index Sponsor, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Arranger" consists only of information provided to the Issuer by Leverage Shares Management Company Limited. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Leverage Shares Management Company Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the sub-section of this Base Prospectus headed "Interactive Brokers (UK) Limited" which appears in the section of this Base Prospectus headed "The Portfolio Administrator" consists only of information provided to the Issuer by Interactive Brokers (UK) Limited. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Interactive Brokers (UK) Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the sub-section of this Base Prospectus headed "GWM Limited" which appears in the sections of this Base Prospectus headed "The Portfolio Administrator" and "The Broker Dealer of Record" consists only of information provided to the Issuer by GWM Limited. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by GWM Limited, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Margin Loan Provider and the Custodian" consists only of information provided to the Issuer by Interactive Brokers LLC. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Interactive Brokers LLC, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Determination Agent" consists only of information provided to the Issuer by Calculation Agent Services LLC. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Calculation Agent Services LLC, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed "The Initial Authorised Participant" consists only of information provided to the Issuer by the Initial Authorised Participant. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware

and is able to ascertain from information published by the Initial Authorised Participant, no facts have been omitted which would render such reproduced information inaccurate or misleading.

New information with respect to Authorised Participants unknown at the time of the approval of the Base Prospectus will be published on the Issuer's Website.

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 3 of the Prospectus Regulation ("Non-exempt Offers") in Ireland, the United Kingdom, Italy, Germany France, Spain and the Netherlands (the "Non-exempt Offer Jurisdiction"). Any person making or intending to make a non-exempt Offer of ETP Securities on the basis of this Base Prospectus must do so only with the Issuer's consent as described below and must state on its own website that it is using the Base Prospectus with the consent described below and the conditions attached thereto. In the context of any Non-exempt Offer of ETP Securities, the Issuer accepts responsibility, in the Non-exempt Offer Jurisdiction, for the content of this Base Prospectus in relation to any person (an "Investor") who purchases any ETP Securities in a Non-exempt Offer made by an "Authorised Offeror" (as defined below), where that offer is made during the Offer Period (as defined below).

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the ETP Securities in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, the Arranger accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered ETP Securities by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

The Issuer consents to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of a Series of ETP Securities in the Non-exempt Offer Jurisdiction(s) specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by or to each of the following financial intermediaries (each, an "Authorised Offeror"):

- (A) the Initial Authorised Participant; and
- (B) each Authorised Participant which either:
 - (i) is expressly named as an Authorised Offeror in the Final Terms; or
 - (ii) is expressly named as an Authorised Participant on the Issuer's website: www.leverageshares.com (in which case, its name and address will be published on the Issuer's website).

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

Arrangements between an Investor and the Authorised Offeror who will distribute the ETP Securities

Neither the Issuer nor, for the avoidance of doubt, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator, the Determination Agent and the Broker Dealer of Record have any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

An Investor intending to acquire or acquiring any ETP Securities from an Authorised Offeror will do so, and offers and sales of the ETP Securities to such Investor by an Authorised Offeror will be made,

in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Base Prospectus does not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, the Margin Loan Provider or other Authorised Offerors has any responsibility or liability for such information.

The Authorised Participants, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the CREST Settlement Agent, the Portfolio Administrator, the Determination Agent and the Broker Dealer of Record have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Authorised Participant(s), the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the Programme or any of the ETP Securities or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other financial statements or further information supplied pursuant to the terms of the Programme or any of the ETP Securities and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, any Authorised Participant, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record.

Neither this Base Prospectus nor any further information supplied pursuant to the terms of the Programme or the ETP Securities are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or constituting an invitation or offer by or on behalf of any of the Issuer or any Authorised Participant, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record that any recipient of this Base Prospectus or any further information supplied pursuant to the terms of the Programme or any of the ETP Securities should subscribe for or purchase any of the ETP Securities. Each investor contemplating purchasing any of the ETP Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

The delivery of the Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the ETP Securities is correct as of any time subsequent to the date indicated in the document containing the same.

Each of the Authorised Participants, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the Registrar, the CREST Settlement Agent, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record expressly do not undertake to review the financial condition or affairs of the Issuer or the validity, effectiveness or adequacy of any security provided by the Issuer during the term of the Programme.

Any investment in the ETP Securities does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not and will not be regulated by the Central Bank as a result of issuing the ETP Securities.

For a description of certain restrictions on offers and sales of ETP Securities and on the distribution of this Base Prospectus, see the section headed "Subscription and Sale". This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of any Authorised Participant, the Margin Loan Provider, the Custodian, the Paying Agents, the Transfer Agent, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator, the Determination Agent or the Broker Dealer of Record to subscribe for, or purchase, any ETP Securities.

This Base Prospectus identifies in general terms certain information that a prospective investor should consider prior to making an investment in the ETP Securities. However, a prospective investor should, without any reliance on the Issuer, the Margin Loan Provider or any Authorised Participant or any of their respective Affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in any ETP Securities issued under the Programme. Any evaluation of the suitability for an investor of an investment in ETP Securities issued under the Programme depends upon a prospective investor's particular financial and other circumstances, as well as on specific terms of the relevant ETP Securities and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding whether or not to make an investment in the ETP Securities.

The ETP Securities may not be a suitable investment for all investors. Each potential investor in the ETP Securities must determine the suitability of that investment in light of its own circumstances and should consult with its legal, business, tax advisers and such other advisers as it deems appropriate to determine the consequences of an investment in the ETP Securities and to arrive at its own evaluations of the investment.

In particular, each potential investor should:

(a) be financially sophisticated in that it either (i) has the requisite knowledge and experience in financial, business and investment matters and of investing in investments offering a similar economic exposure to the ETP Securities, and access to, and knowledge of, appropriate resources, to evaluate the information contained in this document and the relevant Final Terms and the merits and risks of an investment in the ETP Securities in the context of such investors' financial position and circumstances; or (ii) if it does not have such knowledge, experience and access, have consulted with appropriate advisers who do have such knowledge, experience and access;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the ETP Securities and the impact the ETP Securities will have on its overall investment portfolio;

(c) understand thoroughly the terms of the ETP Securities and be familiar with the behaviour of the market of the Reference Assets and the Index or Investment Strategy relating to a particular Series of ETP Securities and any relevant indices, investment strategies and financial markets; and

(d) have an asset base sufficiently substantial as to enable it to sustain any loss that they might suffer as a result of an investment in the ETP Securities and have sufficient financial resources and liquidity to bear all of the risks of an investment in the ETP Securities including, without limitation, any currency exposure arising from the currency for payments being different to the prospective investor's currency.

If a prospective investor is in any doubt as to whether the ETP Securities are a suitable investment for it, it should consult with appropriate advisers prior to deciding whether or not to make an investment in the ETP Securities.

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

In particular, each prospective investor in the ETP Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the ETP Securities (i) is fully consistent with its (or, if it is acquiring the ETP

Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the ETP Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the ETP Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the ETP Securities.

Each prospective investor in ETP Securities should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant ETP Securities, including, without limitation, where the currency for payments is different from the potential investor's currency, the associated currency exposure. See "*Exchange rate risks and exchange controls*" below.

Investment activities of certain investors are subject to investment laws and regulations or review or regulation by certain authorities. Each prospective investor should therefore consult its legal advisers to determine whether and to what extent (i) the ETP Securities are legal investments for it, (ii) if relevant, the ETP Securities can be used as underlying securities for various types of borrowing and (iii) other restrictions apply to its purchase or, if relevant, pledge, of any ETP Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of ETP Securities under any applicable risk-based capital or similar rules.

Benchmark Regulation

Interest and/or other amounts payable under the ETP Securities may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "Benchmarks Regulation"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms to reflect any change in the registration status of the administrator.

MIFID II Product Governance / Target Market

The Final Terms in respect of any ETP Securities may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the ETP Securities and which channels for distribution of the ETP Securities are appropriate. Any person subsequently offering, selling or recommending the ETP Securities (a "distributor") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination may be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593 ("MiFID II Product Governance"), any dealer subscribing for any ETP Securities is a manufacturer in respect of such ETP Securities, but otherwise neither the Arranger nor the dealers nor any of their respective affiliates will be a manufacturer for the purpose of MIFID II Product Governance. Neither any Authorised Participant nor any of their affiliates will be a manufacturer for the purpose of MiFID II Product Governance.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any ETP Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the ETP Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined the Prospectus Regulation. Consequently no key

information document required by Regulation (EU) No 1286/2014 (the “PRIIPs Regulation”) for offering or selling the ETP Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the ETP Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

All references in this document to “£”, “pounds”, “Pounds Sterling” and “Sterling” are to the lawful currency of the United Kingdom, all references to “\$”, “US\$”, “USD” and “US dollars” are to the lawful currency of the United States of America, references to “CHF” and “Swiss Francs” are references to the lawful currency of Switzerland, references to “HK\$”, “HKD” and “Hong Kong dollars” are references to the lawful currency of the Hong Kong SAR, references to “JPY”, “JP Yen”, “¥”, “JP¥” and “Japanese Yen” are references to the lawful currency of Japan and references to “€”, “euro” and “EUR”, are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union.

For the avoidance of doubt, the Issuer’s website and other websites referred to in this document and the contents thereof do not form part of this Base Prospectus unless explicitly specified.

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RISK FACTORS

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

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

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

Words and expressions not defined in this Risk Factors section shall have the meanings given to them elsewhere in this Base Prospectus.

1. **Risk factors relating to the ETP Securities**

1.1 **Market price of the ETP Securities**

The ETP Securities may have a long term and the Final Redemption Date could be up to 50 years from the original Issue Date of the Series. The only means through which an investor will be able to realise value from an ETP Security prior to its Final Redemption Settlement Date will be to sell it at its then market price in a secondary market transaction.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the ETP Securities. Investors should note that general movements in markets and factors that affect the investor climate and investor sentiment may have different effects on each Series of ETP Securities. The ETP Security Value and/or market price of the ETP Securities may be volatile and may fall rapidly and an investor may not be able to sell its ETP Securities quickly and/or at a price such that the investor is able to prevent or minimise any loss of its investment.

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

- (i) with respect to Index-linked Series, the value and volatility of the Index referenced by such Series of ETP Securities and the assets underlying that Index;
- (ii) with respect to Series which pursue an Investment Strategy, the value of the Reference Assets referenced by such Investment Strategy;
- (iii) the degree of leverage applicable to such Series of ETP Securities;
- (iv) market perception, interest rates, yields and foreign exchange rates;
- (v) whether or not any market disruption is subsisting;
- (vi) the nature and value of any Collateral Assets relating to such Series of ETP Securities;
- (vii) the creditworthiness of the Margin Loan Provider, Portfolio Administrator, the Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) any Sub-Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) and the Authorised Participants;
- (viii) any fees or execution costs applicable to subscriptions for or redemptions of the ETP Securities;
and

- (ix) the liquidity in the ETP Securities.

Prospective investors should be aware that the ETP Security Value and the secondary market price of the ETP Securities can go down as well as up throughout the term of the ETP Securities. Certain indices and investment strategies may be more volatile than other indices and investment strategies, and the secondary market price of the ETP Securities linked to such index or investment strategy may demonstrate similar volatility. Prospective investors should be aware that the ETP Security Value and market price of any ETP Securities on any Valuation Date may not reflect their prior or future performance. There can be no assurance as to the future value and market price of any ETP Securities.

AN INVESTMENT IN ETP SECURITIES INVOLVES A SIGNIFICANT DEGREE OF RISK AND AN INVESTOR MAY LOSE THE VALUE OF ITS ENTIRE INVESTMENT OR PART OF IT.

1.2 Market-making by Authorised Participants

The price (if any) provided by an Authorised Participant for the purchase or sale of ETP Securities in the secondary market (whether in an on-exchange or off-exchange transaction), and the number of ETP Securities subject to any such offer, will be determined at the absolute discretion of that Authorised Participant by reference to such factors as it sees fit.

An Authorised Participant may maintain such bid/offer spread as it determines in its absolute discretion. The bid/offer spread is the difference between the bid price (i.e. the price at which a holder can sell ETP Securities to the Authorised Participant) and the offer price (i.e. the price at which a holder can buy ETP Securities from the Authorised Participant). Any price provided by an Authorised Participant or other secondary market price may take into account fees (including any dealing order fees charged by the Issuer to such Authorised Participant), charges, duties, taxes, commissions, liquidity, market spreads and/or other factors.

Investors should be aware that no Authorised Participant is obliged to make a market for any Series of ETP Securities (including any Series in respect of which it is appointed as an Authorised Participant) and in circumstances where an Authorised Participant acts as market maker with respect to any Series of ETP Securities, such Authorised Participant may discontinue making a market at any time. Where an Authorised Participant discontinues making a market and there is no other liquidity in the secondary market, investors would be not be able to realise their investment in the ETP Securities and may be required to hold their ETP Securities until the Final Redemption Date.

Prospective investors should note that:

- (i) not all market participants and Authorised Participants will determine the price of the ETP Securities of a Series in the same manner, and the variation between such valuations and prices quoted may be substantial;
- (ii) the number of ETP Securities of a Series subject to any offer made by an Authorised Participant or otherwise in the secondary market may be affected by market demand for the ETP Securities of that Series, the number of ETP Securities of that Series in issue, whether the Margin Loan Provider has requisite capacity to enter into margin account agreements in respect of any new ETP Securities, whether subscriptions can be processed and prevailing market conditions;
- (iii) they may not be able to sell their ETP Securities quickly, easily or at prices that will provide them with a yield comparable to other similar investments;
- (iv) any price at which the ETP Securities of a Series may be sold prior to the Final Redemption Date may be at a discount, which could be substantial, to the price at which such ETP Securities were acquired by the relevant investor; and
- (v) illiquidity of the Reference Assets to which a Series of ETP Securities is exposed may have a severely adverse effect on the ETP Security Value. Furthermore, because a Series of ETP Securities may provide a leveraged or inversed leveraged exposure to a single Reference Asset or a limited number of Reference Assets, the impact of illiquidity of any such Reference Asset – particularly during an environment with significant price fluctuations – is intensified due to the concentrated nature of the exposure of the ETP Securities.

Prospective investors should be aware that ETP Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale

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

1.3 Foreign exchange risk

Prospective investors should be aware that if a Reference Asset of the relevant Index or Investment Strategy for a Series of ETP Securities is denominated in a currency other than the currency in which the ETP Securities are listed, correlation risks may apply. These correlation risks depend on the degree of dependency of the currency fluctuations of the foreign currency of the Reference Asset of the relevant Series of ETP Securities to the currency in which the ETP Security Value or the Redemption Amount of such Series of ETP Securities is calculated. Hedging transactions, if any, of the ETP Securities may not exclude these risks.

1.4 Exchange rate risks and exchange controls

The Issuer will satisfy its payment obligations in respect of the ETP Securities in the currency of determination of the ETP Securities. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (a) the Investor's Currency equivalent value of the payment payable on the ETP Securities and (b) the Investor's Currency equivalent market value of the ETP Securities.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less payment than expected and may receive no payment.

1.5 Issuer's right to vary fees

The fees that are taken into account in calculating the ETP Security Value in respect of a Series on any Valuation Date may be varied upon the Issuer giving notice to the ETP Securityholders. Potential investors should note that the Issuer is not required to consider the interests of the ETP Securityholders in making any such variation.

1.6 Issuer's right to make funding adjustments in the relevant Series of ETP Securities

Series of ETP Securities offering Leveraged Exposures and Short Exposures take into account specific funding and borrowing adjustments, which may be varied by agreement between the Issuer and the relevant Margin Loan Provider. Potential investors should note that the Issuer and the Margin Loan Provider are not required to consider the interests of the ETP Securityholders in making any such variation.

1.7 Optional redemption

Only Authorised Participants may deal with the Issuer in subscribing for or requiring the Issuer to redeem outstanding ETP Securities, save in relation to Optional Redemptions at any time following notification by the Issuer that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted.

Prospective purchasers should note that the calculation of the Optional Redemption Amount payable by the Issuer to an ETP Securityholder in respect of an ETP Security will take into account any amounts owing to the Margin Loan Provider as well as costs and expenses in relation to the liquidation of the relevant Collateral Assets and the pro rata deduction of the Arranger Fee. As such, the amount due to an ETP Securityholder in respect of each ETP Security held by it on the Optional Redemption Settlement Date may be less than the ETP Security Value in respect of such ETP Securities.

The amount of any Optional Redemption is subject to the Maximum Daily Redemption Limit, being a maximum limit (if applicable) on the redemption number of ETP Securities of a Series on any Optional Redemption Pricing Date, as may be amended from time to time in accordance with the terms of the Operating Procedures Agreement.

Prospective investors should be aware that it is possible that the Maximum Daily Redemption Limit could cause the ETP Securities to trade at a higher premium or result in a discount to the ETP Security Value. An investor who buys ETP Securities in such circumstances may incur a significant loss should market demand change. Significant loss could occur even where the ETP Security has increased in price during the investor's holding period. The Maximum Daily Redemption Limit could also lead to higher trading spreads for the ETP Securities in the secondary market, which could increase the execution costs for an investor purchasing the ETP Securities in the secondary market.

In the event that an investor is not able to immediately redeem their ETP Securities due to a breach of the Maximum Daily Redemption Limit, such investor will be subject to market risk (i.e. that the value of the ETP Securities will decline prior to redemption and therefore reduce the redemption amount). As a result, it is possible that the redemption amount could be reduced due to an adverse change in the price of the Reference Assets (which would consequently impact the value of the ETP Securities).

In addition, prospective investors should be aware that if trading in the Reference Assets in respect of a Series of ETP Securities is suspended, any Optional Redemption would be delayed. As a result, any redemption request relating to the relevant ETP Securities placed on the day upon which the relevant Reference Assets are suspended from trading would be delayed and such suspension from trading of the relevant Reference Assets could ultimately lead to a Disruption Event Redemption. Investors would therefore be subject to market risk (i.e. that the value of the ETP Securities will decline prior to redemption and therefore reduce the redemption amount). As a result, it is possible that the redemption amount could be reduced due to an adverse change in the price of the Reference Assets (which would consequently impact the value of the ETP Securities).

1.8 Issuer call option

The Issuer may at any time, in its sole and absolute discretion, elect to redeem all or some only of the ETP Securities of a Series. In exercising such discretion, the Issuer will have no regard to the interests of the ETP Securityholders, and ETP Securityholders may receive less, or substantially less, than their initial investment.

1.9 Mandatory Redemption Events and Events of Default

The ETP Securities of a Series may become due and payable prior to their Final Redemption Date, as further described in Conditions 8.8 and 12, in connection with the occurrence of an Event of Default (including an event of default with respect to the Issuer or the Margin Loan Provider under any applicable Margin Account Agreement) or a Mandatory Redemption Event.

1.10 Disruption events/adjustment events/change in law impacting the ETP Securities

Any Valuation Date of a Series of ETP Securities may become subject to disruption due to occurrence of certain events including, without limitation:

- (i) any applicable Exchange or Related Exchange failing to open for its regular trading session, or suspends or limits trading of any components of such Index or Investment Strategy, or an event occurs that impairs trading or valuation on the Exchange of, any components of such Index or Investment Strategy;
- (ii) the ETP Security Value falling by more than the applicable threshold;
- (iii) the Index Sponsor permanently cancelling the relevant Index;
- (iv) the Index Sponsor announcing that it will make a material change in the formula for, or the method of, calculating the relevant Index or in any other way materially modifying the Index;
- (v) the Index Sponsor failing to calculate and announce the level of the Index;
- (vi) the Portfolio Administrator making operational adjustments to the Investment Strategy to ensure that,

so far as possible, the basic principles and economic effect of the Investment Strategy are maintained; and

- (vi) a change in any applicable law or regulation that causes it to become illegal for the Issuer to perform its duties under the Margin Account Agreement.

The consequences of such events may include, variously, disruptions or delays to pricing of ETP Securities, the postponement of subscriptions for, and redemptions of, ETP Securities, adjustments to the terms of the ETP Securities and the designation of a Successor Index or replacement Investment Strategy. Ultimately, the occurrence of any such event may trigger the mandatory redemption of the affected Series of ETP Securities. In this eventuality, the amount which an ETP Securityholder may receive in respect of each ETP Security subject to such redemption may be lower than the ETP Security Value.

2. Risk factors relating to Reference Assets

2.1 *Risks related to futures contracts*

Series of ETP Securities may be issued where the Reference Assets are comprised of futures contracts. Futures contracts are derivative contracts whereby the parties agree to exchange payments on a future date based on changes to the value of an underlying asset. Accordingly, the value of the ETP Securities of such Series will be subject to the risks which apply to investing in futures contracts generally and also to the relevant underlying asset.

If the Issuer takes a long position in the relevant futures contract by acting as the buyer, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset increases. Conversely, the Issuer will be required to make payments to the seller of the futures contract to the extent that the price of the underlying asset decreases over the term of the futures contract. If the Issuer takes a short position in the relevant futures contract by acting as the seller, the value of the Issuer's position in the futures contract will increase if the price of the underlying asset increases. Conversely, the Issuer will be required to make payments to the seller of the futures contract to the extent that the price of the underlying asset decreases over the term of the futures contract.

By contrast with short positions which involve the potential of an unlimited loss, the potential loss of the Issuer in respect of any long position is limited to amount of the contract settlement price. See "*Leveraged or Inversed Leveraged Series*" below for more details.

Futures contracts involve, to varying degrees, elements of market risk and exposure to loss in excess of the amounts of any margin which is required to be delivered. Additional risks associated with the use of futures contracts are imperfect correlation between movements in the price of the futures contracts and the level of the underlying reference asset and the possibility of an illiquid market for a futures contract. With futures contracts, there is minimal but some counterparty risk to the Issuer since futures contracts are exchange traded and the exchange's clearinghouse, as counterparty to all exchange-traded futures contracts, effectively guarantees futures contracts against default. Many futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single trading day. Once the daily limit has been reached in a particular contract, no trades may be made that day at a price beyond that limit or trading may be suspended for specified times during the trading day. Futures contracts prices could move to the limit for several consecutive trading days with little or no trading, thereby preventing prompt liquidation of futures positions and potentially subjecting the holders of ETP Securities linked to such futures contracts to substantial losses. If trading is not possible or if the Issuer determines not to close a futures position in anticipation of adverse price movements, the Issuer may be required to make daily cash payments of additional margin.

Futures' prices can be highly volatile. Because of the low margin deposits normally required in futures trading, an extremely high degree of leverage is typical of a futures trading account. As a result, a relatively small price movement in a futures contract may result in substantial losses to the investor. Like other leveraged investments, a futures transaction may result in losses in excess of the amount invested.

2.2 *Risks related to equities and debt securities*

Investors in Series of ETP Securities where the Reference Assets are comprised of equities or debt securities should be familiar with investments in global capital markets and with equities and debt securities generally and should carefully consider, among other matters, the value and price volatility of equities or debt securities

included in the Reference Assets and by reference to which amounts payable under the ETP Securities are calculated.

ETP Securities will give rise to obligations of the Issuer and will not give rise to any obligations of any company whose securities are included in the Reference Assets.

No issuer of any equities or debt securities included in the Reference Assets will have participated in the preparation of this Base Prospectus, the Final Terms or in establishing the terms of the ETP Securities and no Authorised Participant will make any investigation or enquiry in connection with such offering with respect to the information concerning any such issuer contained in this Base Prospectus, the Final Terms or in the documents from which such information was extracted. Consequently, there can be no assurance that all events occurring prior to the relevant issue date that would affect the trading price of the relevant equities or debt securities will have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning such an issuer could affect the trading price of the relevant equities or debt securities and therefore the trading price of the ETP Securities.

The risks of an ETP Security linked to equities or debt securities may include, but are not limited to, the possibility of significant changes in the price(s) of the relevant equities or debt securities. The value of the relevant equities or debt securities may go down as well as up and the value of any relevant equities or debt securities on any date may not reflect their performance in any prior period. There can be no assurance as to the future value of any equity or debt security or of the continued existence of any equity, debt security or its related company. Accordingly, before making an investment decision with respect to ETP Securities, prospective investors should carefully consider whether an investment, the return on which will depend on the performance of equities or debt securities, is suitable for them.

Where a Series provides exposure to the performance of equities or debt securities, such Series will be subject to general and specific market movements and changes in the market rates or prices such as interest rates, credit spreads, foreign exchange rates, commodities and equity or debt security prices.

Prospective investors should also be aware that leveraged exposure to a single equity security or debt security has a high degree of idiosyncratic (i.e., company-specific) risk, relative to a more diversified investment. Examples of idiosyncratic risk include, but are not limited to: company management expertise, capital allocation, labour and/or supply chain disruptions, theft, lawsuits and natural disasters.

In addition, where the Reference Assets consist of a single equity security, the potential impact of corporate actions is more significant than in a diversified investment. Certain corporate actions, such as a merger or acquisition, could result in the eventual liquidation of an ETP Security.

2.3 Risks related to exchange traded securities

Series of ETP Securities may be issued where the Reference Assets are comprised of exchange traded funds (“ETFs”). ETFs are pooled investments in assets such as equities and debt securities that track a stated index or investment strategy. Accordingly, the value of the ETP Securities of such Series will be subject to the risks which apply to investing in the ETFs that are included in the Reference Assets and also to the underlying assets in which they invest.

While ETFs vary in product structure, many will share some of the basic features of the ETP Securities and their related risks. Investors should carefully consider, among other matters, the structure, investment policy, liquidity, tracking error, relevant parties and price volatility of the ETFs included in the Reference Assets.

If such ETFs invest in equity or debt securities, they may share some of the risks outlined under “*Risk factors relating to the Reference Assets – Risks related to equities and debt securities*” above and, consequently, investors are advised to read them carefully and to consider any other risks specific to the relevant ETF’s underlying assets.

While the underlying assets of ETFs are typically diversified across the relevant asset class and strategy, they may be concentrated and, in that case, the “*Concentration Risk*” outlined below may be useful for the purposes of assessing some of the risks of such ETFs.

2.4 Concentration risk

Series of ETP Securities may provide leveraged or inversed leveraged exposure to the Reference Assets underlying the relevant Index for that Series or referenced by the Investment Strategy for such Series. Where

there is a single Reference Asset or a limited number of Reference Assets, prospective investors should be aware that there are risks deriving from such concentration, the most significant of which is the impact on the liquidity and the volatility of the ETP Securities.

In respect of liquidity, a concentrated leveraged and inversed leveraged exposure to a single asset heightens the impact of the illiquidity of any such asset on the ETP Securities, particularly during an environment with significant price declines and inclines. Furthermore, the volatility of the ETP Securities is also intensified due to their concentrated leveraged or inversed leveraged exposure, as there is no other Reference Asset to counterbalance potential volatile movements on the Reference Asset of the relevant Index or Investment Strategy for a Series of ETP Securities.

3. Risk factors relating to Indices

3.1 *Index-linked securities*

In the case of Index-linked Series, the purpose of the Index in respect of each Series of ETP Securities is to provide exposure (which may be long, short, leveraged or unleveraged) to the Reference Assets of such Index, which will be adjusted daily, weekly, monthly or such other period as set out in the Final Terms (the "**Rebalance Period**") in accordance with the performance of the Reference Assets.

Potential Investors should note that the amount payable on the redemption of the ETP Securities of any Series will be linked to the performance of the Index referenced by such Series, however, potential investors should note that they will have no entitlement to the relevant Index or the Reference Assets of such Index, but have entitlement solely to the Pro-Rata Liquidation (as defined herein).

Prospective investors should be aware that the level of an Index can go down as well as up and that the past performance of an Index will not be indicative of its future performance. There can be no assurance as to the future performance of any Index to which the ETP Securities are linked. The ETP Securities may trade differently from the performance of the Index and changes in the level of the Index may not result in a comparable change in the market value of the ETP Securities or in the ETP Security Value.

Prospective investors should be aware that, in addition to any Arranger Fees or other expenses deducted in the calculation of the ETP Security Value, fees and other adjustments may be deducted in the calculation of the level of the Index by the relevant Index Sponsor. Prospective investors should carry out their own detailed review of the composition and calculation of the applicable Index and the rules relating thereto and ensure that they understand the fees and adjustments and any other amounts deducted from (or added to) the Index, the impact such fees may have on the level of the Index and the circumstances in which any such fees and adjustments may change.

Accordingly, before investing in any ETP Securities, prospective investors should carefully consider whether an investment based on the performance of the applicable Index is suitable for them and in all cases an investor in ETP Securities should carry out its own detailed review of the applicable Index and the rules relating thereto.

3.2 *Factors affecting the performance of Indices may adversely affect the value of the ETP Securities*

The performance of an Index in respect of each Series of ETP Securities is dependent upon the macroeconomic factors relating to the assets that comprise such Index, which may include, among others, interest rates and price levels on the capital markets, currency developments, political factors and in the case of equity securities and debt securities, company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

3.3 *Tracking error in relation to the Index*

At any given time, the price at which any Series of ETP Securities trade in the secondary market may be significantly different from the Index Level of the relevant Index of such Series. Additionally, the performance of any Series of ETP Securities may significantly differ from the performance of the relevant Index of such Series.

Accordingly, there is a risk that the return on any Series of ETP Securities may differ from the actual return that investors would obtain from the relevant Index tracked by such Series. Therefore, investors may receive a return under the ETP Securities that is significantly lower than the return that they would receive if it was

possible for investors to invest in the relevant Index directly.

3.4 *The returns on the ETP Securities may not reflect a direct investment in the assets comprised in the applicable Index*

The return payable on ETP Securities which provide for a Normal Exposure or Leveraged Exposure to the related Reference Assets may not reflect the return generated from the relevant Index or the return an investor would realise if it actually owned the relevant Reference Assets underlying such Index and is not the same as being long or short, as applicable, in a comparable position in futures contracts related to such Index. For example, holders of the ETP Securities linked to an Index where the Reference Assets are equities will not receive any dividends paid on the Reference Assets of the relevant Index and will not participate in the return on those dividends other than through the effect that these dividends might have on the Redemption Amount of the ETP Securities, as any dividends held in the Margin Account in respect of a Series of ETP Securities would increase the Collateral Assets in respect of such Series. Similarly, the holders of such ETP Securities will not have any voting rights in the Reference Assets of such Index. Accordingly, investors in ETP Securities may receive a lower payment upon settlement or redemption of such ETP Securities than such investor would have received if it had invested directly in the Reference Assets of the Index to which such ETP Securities are linked.

3.5 *The actions of the Index Sponsor, including any change in the composition or discontinuance of an Index, could adversely affect the market value of the ETP Securities referencing such Index.*

The sponsor of each Index is responsible for the calculation and maintenance of that Index. The sponsor of any Index can make methodological changes that could affect the composition, calculation and/or maintenance of such Index, which could affect the payments made by the Issuer to the investors in the ETP Securities referencing such Index. The sponsor of any Index may effect intraday, intra-week, intra-month or such other period, as applicable, rebalancing of the Index due to volatility of the relevant Reference Assets of such Index, which may make the applicable Index Level differ from the market price of the Reference Assets multiplied by the relevant levels of leverage embedded in the Index. The sponsor of any such Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of an Index will have no involvement in the offer and sale of the ETP Securities and will have no obligation to any investor in such ETP Securities. The sponsor of an Index may take any actions in respect of such Index without regard to the interests of the investor in the ETP Securities, and any of these actions could adversely affect the market value of the ETP Securities.

The methodology of an Index referenced by a Series of ETP Securities may take into account specific funding adjustments. Depending on market conditions, the Index Sponsor for the relevant Index may vary its funding adjustments from time to time without regard to the interests of the ETP Securityholders. Potential investors should note that the Issuer shall have no obligation to adjust the ETP Security Value, the calculation or the methodology of the relevant Series of ETP Securities so as to eliminate or reduce the impact of the funding adjustments made in the underlying Index of such Series of ETP Securities.

The Issuer is not affiliated with the sponsor of any Index in any way (except for the agreements and licensing arrangements described in this Base Prospectus) and has no ability to control or predict their actions, including any errors in or discontinuation of disclosure regarding its methods or policies relating to the calculation of any Index or related Indices.

ETP Securityholders will have no recourse against the sponsor of any Index, or the underlying components of such Index.

4. Risk factors relating to Investment Strategies

4.1 *Investment Strategy-linked securities*

Prospective investors should note that in the case of Series which pursue an Investment Strategy, the amount payable on the redemption of the ETP Securities of such Series will be linked to the performance of the Investment Strategy referenced by that Series. Potential Investors should note that they will have no entitlement to the Reference Assets of such Investment Strategy but have entitlement solely to the Pro-Rata Liquidation (as defined herein).

Prospective investors should be aware that, in addition to any Arranger Fees or other expenses deducted in the calculation of the ETP Security Value, fees and other adjustments may be deducted in the calculation of

the level of the Investment Strategy by the Portfolio Administrator. Prospective investors should carry out their own detailed review of the composition and calculation of the applicable Investment Strategy and ensure that they understand any applicable fees and adjustments and the impact such fees and adjustments may have on the level of the Investment Strategy and the circumstances in which any such fees and adjustments may change.

Accordingly, before investing in any ETP Securities, prospective investors should carefully consider whether an investment based on the performance of the applicable Investment Strategy is suitable for them and in all cases an investor in ETP Securities should carry out its own detailed review of the applicable Investment Strategy.

4.2 No Tracking error analysis for Series which pursue an Investment Strategy

There is a risk that the return on any Series of ETP Securities may differ from the actual return that investors would obtain from the relevant Index tracked or from the Investment Strategy pursued by such Series. With respect to Index-linked Series, the official Index Level is calculated and published by the Index Sponsor, which enables investors to analyse the success of the Series in tracking the relevant Index. Information equivalent to an Index Level will not be published with respect to Series which pursue an Investment Strategy and investors will therefore will not be in position to compare the success of the Series in pursuing the relevant Investment Strategy.

4.3 Factors affecting the performance of an Investment Strategy may adversely affect the value of the ETP Securities

The performance of an Investment Strategy in respect of each Series of ETP Securities is dependent upon the macroeconomic factors relating to the assets referenced by such Investment Strategy, which may include, among others, interest rates and price levels on the capital markets, currency developments, political factors and in the case of equity securities and debt securities, company-specific factors such as earnings position, market position, risk situation, shareholder structure and distribution policy.

4.4 The returns on the ETP Securities may not reflect a direct investment in the Reference Assets comprised in the applicable Investment Strategy

The return payable on ETP Securities which provide for a Normal Exposure or Leveraged Exposure to the related Reference Assets may not reflect the return an investor would realise if it actually owned the relevant Reference Assets underlying such Investment Strategy. For example, holders of the ETP Securities linked to an Investment Strategy where the Reference Assets are equities will not receive any dividends paid on the Reference Assets of the relevant Investment Strategy and will not participate in the return on those dividends other than through the effect that these dividends might have on the Redemption Amount of the ETP Securities, as any dividends held in the Margin Account in respect of a Series of ETP Securities would increase the Collateral Assets in respect of such Series. Similarly, the holders of such ETP Securities will not have any voting rights in the Reference Assets of such Investment Strategy. Accordingly, investors in ETP Securities may receive a lower payment upon settlement or redemption of such ETP Securities than such investor would have received if it had invested directly in the Reference Assets of the Investment Strategy to which such ETP Securities are linked.

4.5 The actions of the Portfolio Administrator, including changing the composition of or discontinuing an Investment Strategy could adversely affect the market value of the ETP Securities referencing such Investment Strategy.

The Portfolio Administrator is responsible for the maintenance of the Investment Strategy. The Portfolio Administrator may make certain operational adjustments to the Investment Strategy to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained. The Portfolio Administrator may take any actions in respect of such Investment Strategy without regard to the interests of the investor in the ETP Securities, and any of these actions could adversely affect the market value of the ETP Securities.

4.6 Investing in ETP Securities is not the same as being long or short, as applicable, in the Reference Assets of the Investment Strategy and is different from a long or short futures position.

Investing in ETP Securities is not the same as making an investment in the Reference Assets of the relevant Investment Strategy. The return from holding ETP Securities is not the same as the return from buying the

Reference Assets of the relevant Investment Strategy, and is not the same as being long or short, as applicable, in a comparable position in futures contracts related to such Reference Assets.

5. Risk factors relating to ETP Securities offering Leveraged Exposures and Short Exposures

For an explanation of the risks covered here and some simulated numerical examples, see the Section of this Base Prospectus titled "Economic Overview of the ETP Securities".

5.1 *Leveraged or Inverse Leveraged Series*

Investors should be aware that:

- (i) If they invest in ETP Securities linked to a Normal Exposure or a Leveraged Exposure, such ETP Securities have a long exposure to the Reference Assets such that price declines in the Reference Assets will generally result in a fall in the value of the ETP Securities (the effect of which will be multiplied in the case of Series providing a Leveraged Exposure).
- (ii) if they invest in ETP Securities linked to a Short Exposure, such ETP Securities have a short exposure to the Reference Assets such that price rises in the Reference Assets will generally result in a fall in value of the ETP Securities. Short sales will involve the Issuer selling Reference Assets which it has borrowed from the Margin Loan Provider. Making short sales of Reference Assets that it does not own exposes the Issuer to risks associated with those Reference Assets and involves speculative exposure risk. The Issuer will incur a loss as a result of a short sale if the price of the Reference Asset increases between the date of the short sale and the date on which the Issuer replaces the Reference Asset sold short. The Issuer will realise a gain if the Reference Asset declines in price between those dates. A short sale position is closed out by purchasing the Reference Asset and returning it to the Margin Loan Provider. There can be no assurance that the Issuer will be able to close out a short sale position at any particular time or at an acceptable price. Although the Issuer's gain is limited to the amount at which it sells the Reference Asset, its potential loss is limited only by the maximum attainable price of the Reference Asset, less the price at which the Reference Asset was sold. Short sale transactions involve leverage because they can provide investment exposure in an amount exceeding the initial investment.

Where a Series of ETP Securities employs leverage, the effect which any negative or positive changes in the price of the Reference Assets will have on the ETP Security Value will be multiplied by the applicable Leverage Factor for the relevant Series of ETP Securities.

Series of ETP Securities which provide for a Leveraged Exposure to the related Reference Asset seek to achieve a return which is a multiple of the Rebalance Period return of the Reference Asset of the relevant Index or Investment Strategy (excluding the effects of any applicable fees and adjustments). Conversely, Series of ETP Securities which provide for a Short Exposure to the related Reference Asset seeks to achieve a return which is a multiple of the Rebalance Period rate of decrease of the price of the Reference Asset (excluding the effects of any applicable fees and adjustments). Thus the ETP Securities will magnify losses in market environments adverse to their objective compared to similar exchange traded products that are not leveraged. In addition, losses will be magnified as the amount of leverage increases.

5.2 *Risk of unscheduled rebalancing*

As defined in the Index or Investment Strategy methodology in respect of a Series of ETP Securities, there is a possibility of unscheduled rebalancing in the event of (i) a significant decline in the price of the relevant Reference Assets if such Series provides a Leveraged Exposure to such Reference Assets; and (ii) a significant increase in the price of the relevant Reference Assets if such Series provides a Short Exposure to such Reference Assets, in both cases before the beginning of the next Rebalance Period of the Series. On a day in which an unscheduled rebalance is triggered, the Rebalance Period return of the relevant Series of ETP Securities will not be equal to the Leverage Factor of such Series multiplied by the Rebalance Period price change of the respective Reference Assets. Such unscheduled adjustment seeks to protect the holder of ETP Securities providing Leveraged Exposure or Short Exposure in the event of extreme market movements during Rebalance Periods by crystallising the losses incurred up to that point.

As a result of the unscheduled rebalancing, a Series of ETP Securities may not track what an investor might expect for such Rebalance Period. For example, in the case of a Series linked to an Index providing a Leveraged Exposure to the related Reference Assets, if the price of the relevant Reference Assets was to reverse its fall after the unscheduled rebalancing, then the holder of the relevant ETP Security will not benefit

from the reversal of the price decline of the Reference Assets to the same extent that it might have if the unscheduled rebalancing had not occurred. However, if the price of the relevant Reference Assets continues to fall, then the holder of such ETP Security will not suffer a loss to the same extent as if the unscheduled rebalancing had not occurred. Similarly, in the case of a Series providing for a Short Exposure to the related Reference Assets, if the price of the relevant Reference Assets was to fall after the unscheduled rebalancing, then the holder of the relevant ETP Security will not benefit from the reversal of the price of the Reference Assets to the same extent that it might have if the unscheduled rebalancing had not occurred. However, if the price of the relevant Reference Assets continues to increase, then the holder of such ETP Security will not suffer a loss to the same extent as if the unscheduled rebalancing had not occurred.

5.3 Rebalance Period leverage

Due to the Rebalance Period investment goal of ETP Securities, an ETP Security's return over holding periods longer than the Rebalance Period will likely differ from the return of the relevant Index or Investment Strategy (as adjusted to take account of the Leverage Factor), and this difference will become more significant as the holding period increases in length.

The return on ETP Securities over a period longer than the Rebalance Period will reflect the return for each Rebalance Period compounded over all Rebalance Periods in that holding period and the effects of the Rebalance Period rebalancing. As a consequence of the Rebalance Period and the leveraged exposure of ETP Securities, over periods longer than the Rebalance Period, the redemption entitlement of an ETP Security will fall if the Index's or Investment Strategy's performance is flat (i.e. has a zero or close to zero return).

5.4 Rebalance Periods longer than a day

At the end of each Rebalance Period, the Portfolio Administrator will instruct the Custodian (where the First Portfolio Administration Agreement applies to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series) to buy or sell Reference Assets in such amounts as may be required so that, at the beginning of the immediately following Rebalancing Period, the ETP Securities offer their Leveraged Exposure or Short Exposure to the Reference Assets determined by their stated Leverage Factor. If the Rebalance Period is longer than a day, the exposure of such ETP Securities to their Reference Assets will not be rebalanced daily to maintain such exposure constant by reference to the Leverage Factor. As such, the effective level of Leveraged Exposure or Short Exposure offered by such ETP Securities, as the case may be, will vary on each day of the Rebalance Period as prices of the Reference Assets fluctuate and subscriptions and redemptions are fulfilled by the Issuer on a daily basis.

5.5 Factors affecting leverage risk

Higher leverage, higher volatility and longer holding periods will increase the risk from investing in ETP Securities.

6. Reform of LIBOR, EURIBOR, EONIA and other "benchmarks"

Internationally recognised benchmarks on overnight deposits are used as the basis for determining the Benchmark Rates (as defined in the section of the Base Prospectus entitled 'Economic Overview of the ETP Securities').

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**"), the Euro Overnight Index Average ("**EONIA**") and other interest rates or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory reform, including the implementation of the European Regulation (2016/1011) on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on 30 June 2016. Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. On 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021, and indicated that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could result in the applicable interest rate for any calculation that are linked to LIBOR

(including the calculation of the Daily Margin Interest Rate) or another benchmark becoming fixed or other adverse consequences which could adversely affect the return on the ETP Securities, the value of the ETP Securities and the trading market for the ETP Securities. At this time, no consensus exists as to what rates or indices may become accepted alternatives to LIBOR or other benchmarks and it is impossible to predict the effect that any such alternative may have on the value of the ETP Securities that are linked to existing benchmarks. Any such consequence could have a material adverse effect on the return on, value of and market for the ETP Securities.

7. Risk factors relating to the Security

7.1 *Limited recourse obligations, non-petition and related risks*

In respect of the ETP Securities of any Series, the Secured Creditors, with the exception of the Margin Loan Provider with respect to the Second Margin Account Agreement, will have recourse only to the Secured Property in respect of such ETP Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash in accordance with the applicable orders of priority and the Trust Deed, any outstanding claim against the Issuer in respect of the Secured Obligations remains unpaid, then such outstanding claim will be extinguished and no debt, liability or obligation will be owed by the Issuer in respect thereof. Following such extinguishment, with the exception of the Margin Loan Provider with respect to the Second Margin Account Agreement, none of the Programme Parties, the ETP Securityholders of any relevant Series or any other person acting on behalf of any of them will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation will be owed to any such persons by the Issuer in respect of such further sum.

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

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

Investors should be aware that the Second Margin Account Agreement does not contain limited recourse provisions with respect to the obligations of the Issuer. There is a risk therefore that, in respect of a claim against the Issuer by the Margin Loan Provider in relation to the Second Margin Account Agreement, if following realisation in full of the Secured Property (whether by way of liquidation or enforcement) in respect of a Series of ETP Securities and application of available cash in accordance with the applicable orders of priority and the Trust Deed, a claim remains outstanding against the Issuer, such claim may be made against assets attributable to other outstanding Series of ETP Securities on a *pro rata* basis. The Broker Dealer of Record, however, has agreed to indemnify the Issuer against any loss, cost, claim, action, demand or expense which the Issuer may incur as a result of any such claims by the Margin Loan Provider.

7.2 *The claims of ETP Securityholders are subordinated upon enforcement of the Security*

The obligations of the Issuer in respect of a Series of ETP Securities are secured by the Security Documents in respect of such Series of ETP Securities. Pursuant to such Security Documents, the Issuer will create security in respect of that Series in favour of the Trustee (for the benefit of the Secured Creditors) over (i) all of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; (ii) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent) to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (iii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the Margin Account Agreement and the Portfolio Administration Agreement and (iv) all of the Issuer's rights as against the Margin Loan Provider, the Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) and/or any Sub-Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) in respect of any sum or property now or in the future standing to the

credit of the relevant accounts of the Issuer with the Margin Loan Provider, the Custodian or of the Custodian (on behalf of the Issuer) with any Sub-Custodian relating to the ETP Securities, in each case, to the extent that they relate to the ETP Securities.

Following the enforcement of the security, the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by the Security Documents in the applicable order of priority under which amounts due to the ETP Securityholders will be subordinated to all costs, fees, expenses and all other amounts including (without limitation) the costs of enforcing and/or realising any security due to the Trustee itself and any receiver(s), and amounts due to the Arranger in respect of the Arranger Fee and arising to the Margin Loan Provider, in each case in relation to the ETP Securities.

7.3 Recognition of Security in other jurisdictions

The laws of certain jurisdictions may affect some or all of the assets comprising the Collateral Assets. In the event that the laws of a jurisdiction do not recognise the security granted by the Security Documents, such security may not be effective in relation to assets deemed located in that jurisdiction and/or such assets may be subject to claims which would otherwise rank after claims secured by the Security Documents.

8. Risk factors relating to the Issuer and its legal structure

8.1 The Issuer is a special purpose vehicle

The Issuer is a special purpose vehicle with the sole business of issuing ETP Securities. The contracts which may be entered into by the Issuer (such as any Margin Account Agreement entered into by the Issuer in relation to one or more Series of ETP Securities) and the payments of the Issuer and the parties thereunder are structured to have the capacity to provide the Issuer with funds to service payments due and payable in respect of the ETP Securities and on any redemption by the Issuer of the ETP Securities.

The Issuer has, and will have, no assets other than (i) the small sums of money raised by issuing shares in relation to its incorporation, (ii) such fees (if any) as are payable to it in connection with the issue or redemption of any Series of ETP Securities from time to time and (iii) any rights, property, sums or other assets on which any Series of ETP Securities issued under the Programme are secured.

8.2 Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the ETP Securities. For instance, if it was determined by a regulatory authority that the Issuer was required to be authorised in a particular jurisdiction, it may not be possible for the Issuer as a special purpose vehicle to receive such authorisation. In such a scenario there is a risk that the Issuer could be required to effect a mandatory redemption of the ETP Securities which could result in a loss being incurred by holders of the ETP Securities.

8.3 Insolvency

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

However, notwithstanding the restrictions described in Condition 7 and the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of ETP Securityholders and may prevent ETP Securityholders from enforcing their rights with

respect to any ETP Securities held by it or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Security created in favour of the Trustee in respect of such Series of ETP Securities may be set aside or ranked behind certain other creditors and the assets subject to such Security may be transferred to another person free of such Security.

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

8.4 Preferred Creditors under Irish Law and Floating Charges

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to its secured creditors including the ETP Securityholders, the ETP Securityholders (and other secured creditors) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see "Examinership" below).

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of VAT) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Security Documents may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the relevant charged assets would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

8.5 Centre of Main Interests

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest (“**COMI**”) in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law. In the decision by the Court of Justice of the European Union (“**CJEU**”) in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company’s registered office is presumed to be the company’s COMI and stated that the presumption can only be rebutted if “factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect”. As the Issuer has its registered office in Ireland, has Irish directors, is registered for tax in Ireland and has an Irish corporate services provider, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the time when it was asked to make that decision. If the Issuer’s COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland. The Issuer is structured to be bankruptcy remote and accordingly considers it unlikely that it will ever become insolvent. However, in the unlikely event of the Issuer becoming insolvent, if insolvency proceedings were commenced in a jurisdiction other than Ireland, ETP Securityholders may receive less than would have been the case had the proceedings commenced in Ireland.

8.6 Examinership

Examinership is a court procedure available under the Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee would be in a position to reject any proposal not in favour of the ETP Securityholders. The Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the ETP Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the ETP Securityholders.

The fact that the Issuer is a special purpose vehicle and that, with the exception of the Issuer's obligations under the Second Margin Account Agreement, all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

However, if, for any reason, an examiner were appointed while any amounts due by the Issuer under the ETP Securities were unpaid, the primary risks to the ETP Securityholders are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the ETP Securityholders as secured by the Security Documents;
- (b) the Trustee, acting for and on behalf of the secured creditors, would not be able to enforce rights against the Issuer during the period of examinership;
- (c) the potential for the examiner to seek to set aside any negative pledge in the ETP Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the ETP Securities or the Programme Documents.

9. Legal, Regulatory and Taxation matters impacting the Issuer

9.1 Tax consequences of an investment in the ETP Securities

None of the Issuer or any Programme Party make any representation or warranty as to the tax consequences to any investor of the acquisition, holding or disposal of the ETP Securities. The tax consequences for each investor in the ETP Securities can be different and therefore investors are advised to consult with their tax advisers as to their specific consequences. Prospective investors' attention is also drawn to the section of this Base Prospectus headed "*Tax Considerations*".

9.2 Anti-Tax Avoidance Directive

As part of its anti-tax avoidance package, and to provide a framework for a harmonised implementation of the BEPS conclusions across the EU, the EU Council adopted Council Directive (EU) 2016/1164 ("**ATAD I**") on 12 July 2016. The EU Council adopted Council Directive (EU) 2017/952 ("**ATAD II**") on 29 May 2017 to provide for minimum standards for counteracting hybrid mismatches involving EU member states and third countries.

EU member states were required to implement ATAD I by 31 December 2018 (subject to derogations for EU member states which have equivalent measures in their domestic law). Ireland has implemented most aspects of ATAD I, though has not yet implemented to interest limitation rule. It is anticipated that the interest limitation rule will be implemented on 1 January 2021.

EU member states were required to implement ATAD II by 31 December 2019 (except for measures relating to reverse hybrid mismatches, which must be implemented by 31 December 2021) and Ireland has implemented the relevant provisions of ATAD II.

ATAD I and ATAD II contain various measures that could, depending on their implementation and application in Ireland, potentially result in certain payments made by the Issuer ceasing to be fully deductible for Irish tax purposes. There are two measures of particular relevance;

- first, ATAD I provides for an interest limitation rule which restricts the deductible exceeding borrowing costs of an entity to 30% of its earnings before interest, tax, depreciation and amortisation. However, the interest limitation rule only applies to the net or 'exceeding' borrowing costs of an entity (being the amount by which its borrowing costs exceed its taxable interest revenues and other economically equivalent taxable revenues); and
- second, ATAD II provides for hybrid mismatch rules. These rules are designed to neutralise arrangements where amounts payable between 'associated entities' are deductible from the income

of one entity but are not taxable for the other or the same amounts are deductible for two associated entities. Associated for these purposes includes direct and indirect participation in terms of voting rights or capital ownership of 25 per cent. or more or an entitlement to receive 25 per cent. or more (50 per cent. in certain circumstances) of the profits of that entity, as well as entities that are part of the same consolidated group for financial accounting purposes or enterprises that have a significant influence in the management of the taxpayer.

if ATAD I or ATAD II were to result in increased tax charges for the Issuer, this could result in losses for the holders of the ETP Securities if a shortfall were to arise in the amount available to meet the obligations of the Issuer under the ETP Securities. Increased tax charges could also lead to a mandatory redemption of the ETP Securities.

9.3 Taxation and no gross-up

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

The Issuer may become liable for tax charges whether by direct assessment or withholding. If any such event occurs as a result of a change in law or regulation that materially increases the cost to the Issuer of performing its obligations under the ETP Securities or the Margin Account Agreement or makes it illegal for the Issuer to do the same or to hold, acquire or dispose of the Collateral Assets, the ETP Securities may become subject to early redemption or a shortfall could arise in the amount available to meet the obligations of the Issuer under the ETP Securities.

9.4 Change of law

The Conditions of the ETP Securities are governed by Irish law in effect as at the date of issue of the relevant ETP Securities. No assurance can be given as to the impact of any possible judicial decision or change to Irish law or administrative practice after the date of issue of the relevant ETP Securities.

9.5 Legality of purchase

None of the Issuer, the Arranger, the Trustee, the Margin Loan Provider, the Broker Dealer of Record, the Authorised Participants or any Affiliate of such persons have or assume responsibility for the lawfulness of the acquisition of the ETP Securities by a prospective purchaser of the ETP Securities (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

9.6 Recharacterisation risk

There can be no assurance that the courts or regulatory authorities in any jurisdiction would not recharacterise the ETP Securities as units in a collective investment scheme. Any recharacterisation of the ETP Securities as units in a collective investment scheme may have adverse consequences for an investor (including, without limitation, adverse tax consequences and / or a mandatory redemption of the ETP Securities).

Prospective investors should consult their professional advisers on the implications, and in particular the tax and accounting implications, of investment in the ETP Securities.

9.7 Undertakings for Collective Investment in Transferable Securities (UCITS)

Prospective investors comprising a scheme which is an undertaking for collective investment in transferable securities subject to Directive 2009/65/EC of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective Investment in Transferable Securities (the "**UCITS Directive**"), as amended, need to satisfy themselves that an investment in the ETP Securities would comply with any regulations and/or guidelines applicable to them pursuant to the UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives.

9.8 Alternative Investment Fund Managers Directive

EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") provides, among other things, that all alternative investment funds ("**AIFs**") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management.

The requirements of AIFMD have, in general, taken effect from 22 July 2013. If, AIFMD were to apply to the Issuer, the Issuer would need to be appropriately regulated. AIFMD and any other changes to the regulation or regulatory treatment of the ETP Securities for some or all investors may negatively impact the regulatory position of individual investors and, in addition, have a negative impact on the price and liquidity of the ETP Securities affected by such rules in the secondary market.

9.9 Risk of Data Security Breach

There is a risk that a security breach could lead to a loss or theft of customer, employee, supplier, the Issuer's or Programme parties' confidential data. A major data security breach could lead to significant reputational damage and result in regulatory intervention and/or fines, especially considering the implementation of the General Data Protection Regulation (Regulation (EU) 2016/679) regarding the protection of natural persons with respect to the processing of personal data and on the free movement of such data.

9.10 'Brexit'

Series of ETP Securities may be admitted to listing on an exchange or trading facility in the United Kingdom and a Non-Exempt Offer of the ETP Securities may be made in the United Kingdom. Pursuant to the European Referendum Act 2015, a referendum on the United Kingdom's membership of the EU was held on 23 June 2016 with the majority voting to leave the EU.

On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union to leave the EU which triggered the commencement of a negotiation process between the United Kingdom and the EU in respect of the arrangements for the United Kingdom's withdrawal from the EU. Following these negotiations a withdrawal agreement was reached and the United Kingdom's withdrawal from the EU took effect at midnight (CET) on 31 January 2020.

The withdrawal agreement provides for a transition or implementation period which will end on 31 December 2020 (or possibly a later date). The withdrawal agreement provides that, unless otherwise specified, EU law continues to be applicable to and in the United Kingdom during the transition period.

The effects of Brexit will depend on any agreements the United Kingdom makes to retain access to EU markets. Brexit could adversely affect European or worldwide economic, market conditions and could contribute to instability in global financial and foreign exchange markets, including volatility in the value of the pound sterling or the euro. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the United Kingdom determines which EU laws to replace or replicate.

Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity; (ii) higher levels of default rates and impairment; and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties.

No assurance can be given that such matters would not adversely affect the market value and/or the liquidity of the ETP Securities in the secondary market.

10. Risk factors relating to the Programme Parties

10.1 Risks relating to the Margin Loan Provider

(i) Creditworthiness of the Margin Loan Provider

In the case of Series of ETP Securities providing Leveraged Exposures where the Reference Assets are Physical Assets, under the terms of the Margin Account Agreement entered into by the Issuer in connection with a Series of ETP Securities, the Issuer will pay the entire proceeds from the issue of such Series of ETP Securities to the Margin Loan Provider upon receipt and the Margin Loan Provider will extend moneys by way of credit to the Issuer which will be invested, in accordance with the Portfolio Administration Agreement, in Reference Assets which will be held in the Margin Account in

order to replicate (to the degree practicable) the return on the Index referenced by such Series or to pursue the Investment Strategy of such Series. At the end of each Rebalance Period the Margin Account will be reconstituted in order to track the performance of the Index or to pursue the Investment Strategy, by the purchase of additional Reference Assets or the sale of existing Reference Assets held in the Margin Account. If additional Reference Assets are required to be purchased, the Margin Loan Provider will extend moneys by way of credit to the Issuer in order to fund such purchases. The Issuer's ability to issue new ETP Securities of a Series or the successful tracking of the Index or compliance with the Investment Strategy will therefore be dependent upon the Margin Loan Provider's ability to increase the amount of margin provided under the Margin Account Agreement.

In the case of Series of ETP Securities providing Short Exposures where the Reference Assets are Physical Assets, the Issuer's ability to issue new ETP Securities of a Series or the successful tracking of the Index or compliance with the Investment Strategy will be dependent on the Margin Loan Provider's ability to facilitate short sales of the Reference Assets by the Issuer and to maintain such short positions.

In relation to Series where the Second Portfolio Administration Agreement applies, Collateral Assets in the form of cash or transferable securities will be held in an account of the Margin Loan Provider in the name of the Issuer. Where the Collateral Assets consist of assets other than cash or transferable securities, it may be held in the name of the Issuer or under the control of the Margin Loan Provider.

The ability of the Issuer to meet its obligations with respect to the ETP Securities may be dependent upon receipt by the Issuer of payments from the Margin Loan Provider for the Series (if the Collateral Assets are so held). Consequently, the ETP Securityholders are relying not only on the creditworthiness of the Collateral Assets, but also on the creditworthiness of the Margin Loan Provider in respect of the performance of its obligations for such Series of ETP Securities.

(ii) Change of Law

If, due to a change of applicable law or regulation, it becomes illegal for the Margin Loan Provider to perform its obligations under a Margin Account Agreement, that Margin Account Agreement will terminate. If the Issuer is unable to find a replacement Margin Loan Provider the ETP Securities of the relevant Series will fall for mandatory early redemption.

(iii) Provision of information

None of the Issuer, any Programme Party or any Affiliate of any such persons makes any representation as to the credit quality of the Margin Loan Provider or any Collateral Assets. Any of such persons may have acquired, or during the term of the ETP Securities may acquire, non-public information in relation to the Margin Loan Provider and/or the Collateral Assets. None of such persons are under any obligation to make such information directly available to ETP Securityholders. None of the Issuer, any Programme Party or any Affiliate of any such persons are under any obligation to make available any information relating to, or keep under review on the ETP Securityholders' behalf, the business, financial conditions, prospects, creditworthiness or state of affairs of the Margin Loan Provider or any issuer/obligor in relation to any Collateral Assets or conduct any investigation or due diligence thereon or to monitor such Margin Loan Provider.

(iv) Business relationships and capacity of the Margin Loan Provider

The Margin Loan Provider and any of its Affiliates may have existing or future business relationships with any Authorised Participant (including, but not limited to, lending, depository, risk management, advisory and banking relationships) and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for an ETP Securityholder. In addition, the Margin Loan Provider and any of its Affiliates may make a market or hold positions in respect of any of the ETP Securities. From time to time, the Margin Loan Provider and its Affiliates may own significant amounts of ETP Securities issued under the Programme.

There are no restrictions on the future business operations or activities of the Margin Loan Provider, and, accordingly, the ability of the Margin Loan Provider to meet its obligations under the Margin

Account Agreement may be adversely affected depending on such future business operations or activities.

The Margin Loan Provider and/or any of its Affiliates may engage in trading for their proprietary accounts, for other accounts under their management or to facilitate transactions, including block transactions, on behalf of customers relating to one or more assets that underlie the Index or Investment Strategy to which a Series of ETP Securities is linked. Any of these activities in which the Margin Loan Provider and/or its Affiliates engage could have an adverse impact on the value of the ETP Securities by affecting the price of such constituent assets(s).

The Margin Loan Provider and its Affiliates may actively trade futures contracts and options on assets that underlie the Index or Investment Strategy linked to Series of ETP Securities, over-the-counter contracts on those assets and other instruments and derivative products based on such assets. Any such trading by the Margin Loan Provider and its Affiliates and unaffiliated third parties could adversely affect the value of the Reference Assets to which certain Series of ETP Securities are linked, which could in turn affect the return on, and the value of, such Series of ETP Securities.

The Margin Loan Provider and/or its Affiliates may also issue or underwrite other securities or financial or derivative instruments linked to the commodity indices or equity indices referenced by certain Series of ETP Securities, which might compete with the ETP Securities of such Series. By introducing competing products into the marketplace in this manner, the Margin Loan Provider and/or its Affiliates could adversely affect the market value of certain ETP Securities, and therefore the amount payable on such ETP Securities on the stated maturity date or any early redemption date, as applicable, and the value of such ETP Securities before that date. To the extent that the Margin Loan Provider and/or its Affiliates serve as issuer, agent or underwriter of, or as margin loan providers in relation to, those securities or other similar instruments, their interests with respect to those products may be adverse to the interests of an ETP Securityholder.

The Margin Loan Provider and its Affiliates may in the future publish research reports with respect to some or all of the Indices linked to certain Series of ETP Securities or the assets underlying such Indices. This research may be modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the ETP Securities. The research should not be viewed as a recommendation or endorsement of the ETP Securities in any way and investors must make their own independent investigation of the merits of this investment. Any of these activities by the Margin Loan Provider or any of its Affiliates may affect the market price of the Indices to which certain Series of ETP Securities are linked or their components and the value of such commodity indices or such equity indices and, therefore, the market value of such ETP Securities.

The Margin Loan Provider and its Affiliates may act in a number of capacities in respect of ETP Securities issued under the Programme including, without limitation, Portfolio Administrator. The Margin Loan Provider and its Affiliates acting in such capacities in connection with such ETP Securities will have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. The Margin Loan Provider and its Affiliates in their various capacities in connection with the ETP Securities may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

10.2 Risks relating to the Custodian

(i) Custodian risk

In relation to Series to which the First Portfolio Administration Agreement applies, Collateral Assets in the form of cash or transferable securities will be held in an account of the Custodian in the name of the Issuer. Where the Collateral Assets consist of assets other than cash or transferable securities, it may be held in the name of the Issuer or under the control of the Custodian.

The ability of the Issuer to meet its obligations with respect to the ETP Securities may be dependent upon receipt by the Issuer of payments from the Custodian for the Series (if the Collateral Assets are so held). Consequently, the ETP Securityholders are relying not only on the creditworthiness of the Collateral Assets, but also on the creditworthiness of the Custodian in respect of the performance of its obligations for such Series of ETP Securities.

(ii) *Sub-Custodians, depositaries and clearing systems*

(a) *Credit risk*

Under the First Margin Account Agreement the Issuer authorises the Custodian to hold the Collateral Assets in the Custodian's account or accounts with any Sub-Custodian (other than a Clearing System) properly appointed for the safe-keeping, administration, clearance and settlement of the Collateral Assets. Where the Collateral Assets are held with a Sub-Custodian that is an affiliate of the Custodian, the ETP Securityholders are relying not only on the creditworthiness of the Collateral Assets and the Custodian in respect of the performance of its obligations for such Series of ETP Securities (and any obligations of any Sub-Custodian under or pursuant to the First Margin Account Agreement or otherwise), but also on the creditworthiness of any Sub-Custodian.

(a) *Lien/Right of set-off*

Pursuant to their terms of engagement, Sub-Custodians may have liens or rights of set-off with respect to the Collateral Assets held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant Sub-Custodian may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Collateral Assets, and thereby adversely affecting the ability of the Issuer to meet its obligations with respect to the Series of ETP Securities.

Therefore, in relation to Series to which the First Portfolio Administration Agreement applies the ability of the Issuer to meet its obligations with respect to the Series of ETP Securities will not only be dependent upon receipt by the Issuer of payments from the Custodian (if the Collateral Assets are so held) but will also be dependent on any Sub-Custodian not exercising any lien or right of set-off in respect of any Collateral Assets that it holds. Consequently, the ETP Securityholders are relying not only on the creditworthiness of the Sub-Custodian, but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such Sub-Custodian (or the ability of the Issuer to pay such amounts due to the Custodian and/or the Sub-Custodians).

10.3 Other business activities of Authorised Participants

The Authorised Participants and/or their respective Affiliates may be active traders in equities and/or commodities markets, including in the physical markets for commodities, in the futures markets and the over-the-counter markets. These trading activities may present a conflict between the interests of holders of the ETP Securities and the interests of the Authorised Participants and their respective Affiliates may have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the value of an Index or Investment Strategy to which a Series of ETP Securities is linked, could be adverse to the interests of the ETP Securityholders. The Authorised Participants and their respective Affiliates may also issue or underwrite additional securities or trade other products the return on which is linked to the value of an Index or Investment Strategy linked to a Series of ETP Securities or other similar strategies. An increased level of investment in these products may negatively affect the level of an Index or Investment Strategy to which a Series of ETP Securities is linked and therefore the amount payable in respect of such Series of ETP Securities on their stated maturity date or any prior redemption date, as applicable, and the market value of such ETP Securities.

These activities could give rise to conflicts of interest which are adverse to the interests of the ETP Securityholders and could adversely affect the market value of such ETP Securities. With respect to any of the activities described above, none of the Authorised Participants or any of their respective Affiliates has any obligation to the Issuer to take the needs of any buyers, sellers or holders of the ETP Securities into consideration at any time.

10.4 Interactive Brokers (UK) Limited ("IBUK")

Either Interactive Brokers (UK) Limited ("IBUK") or GWM Limited, as specified in the Final Terms for each Series of ETP Securities, will act as Portfolio Administrator.

IBUK and its Affiliates may act in a number of capacities in respect of ETP Securities issued under the Programme including, without limitation, Portfolio Administrator and Margin Loan Provider. IBUK and its Affiliates acting in such capacities in connection with the ETP Securities will have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and will not, by virtue of acting

in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. IBUK and its Affiliates in their various capacities in connection with the ETP Securities may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

10.5 Determination Agent

Calculation Agent Services LLC will act as Determination Agent. The Determination Agent will, pursuant to the provisions of the Determination Agency Agreement, the Operating Procedures Agreement and the Conditions, make various non-discretionary calculations, that affect the ETP Securities, including calculating, among other things, the ETP Security Value and the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount. The value of the ETP Securities could be adversely affected by such calculations. In making such calculations the Determination Agent will depend upon timely and accurate provision of information and certain constituent values of the relevant formulae which are provided to the Determination Agent by various parties, including, but not limited to, the Margin Loan Provider, the relevant Index Sponsor and the Issuer. Any consequent variation in the value of the amounts required to be calculated by the Determination Agent could result in a change to value of the ETP Securities.

10.6 Trustee

In connection with the exercise of its functions, the Trustee will have regard to the interests of the ETP Securityholders as a class and will not have regard to the consequences of such exercise for individual ETP Securityholders and the Trustee will not be entitled to require, nor will any ETP Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual ETP Securityholders.

10.7 Common Ownership of Portfolio Administrator, Determination Agent and Broker Dealer of Record

Prospective investors should be aware that GWM Limited (which acts as the Broker Dealer of Record and which may act as Portfolio Administrator in respect of certain Series of ETP Securities) and the Determination Agent are under the common ownership of Jose Gonzalez who is also a director of the Arranger.

Where such entities are acting, they will have only the duties and responsibilities expressly agreed to by them in the relevant capacity and will not, by virtue of being related to an entity acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity.

10.8 Issuer's right to replace agents and providers

The Issuer reserves the right to replace the Margin Loan Provider, the Portfolio Administrator, the Custodian, the Trustee, the Issuing and Paying Agent, the Registrar, the Determination Agent the CREST Settlement Agent, the Broker Dealer of Record and any other agents or providers herein at its sole discretion in order to ensure the efficient operation of the Programme.

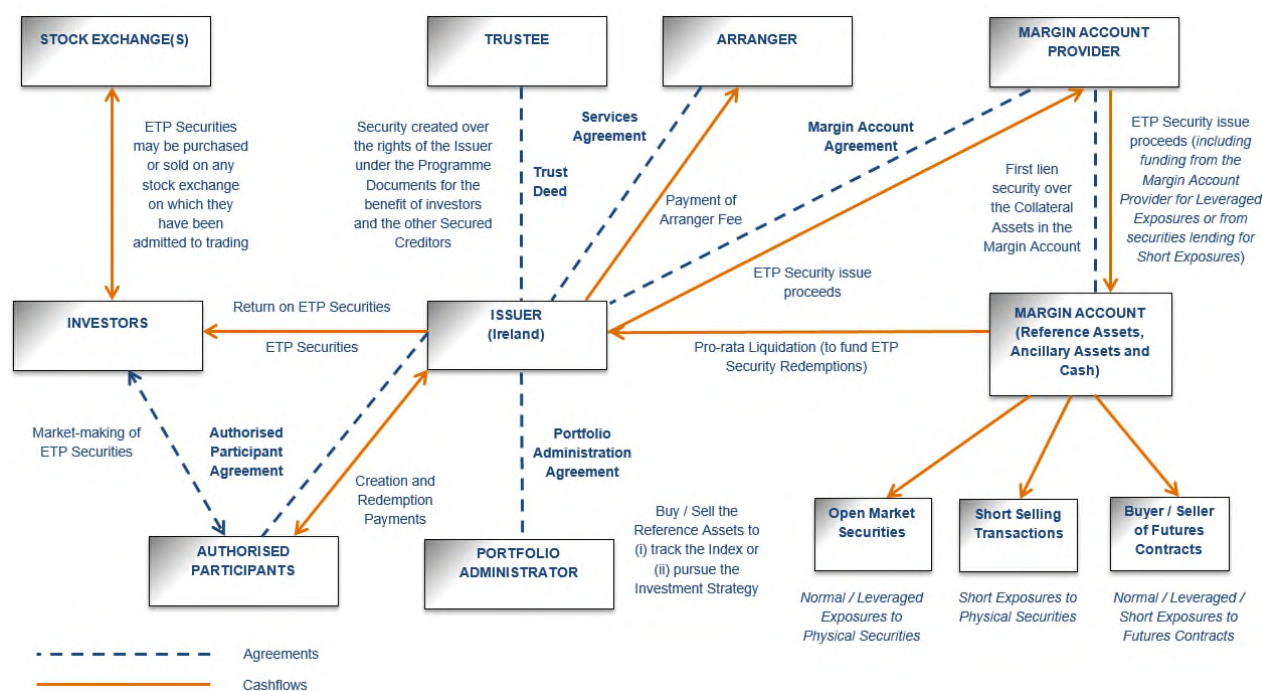
DESCRIPTION OF THE PROGRAMME

The following description of the Programme and the ETP Securities does not purport to be complete and is subject to and qualified by the detailed information contained elsewhere in this Base Prospectus and in the Final Terms in respect of each Series of ETP Securities. Words and expressions not defined in this description shall have the meanings given to them elsewhere in this Base Prospectus.

Description of the Programme

Collateralised Exchange Traded Securities Programme pursuant to which the Issuer may issue collateralised exchange traded securities (“**ETP Securities**”) which are either linked to an index (an “**Index**”) or pursue an investment strategy (the “**Investment Strategy**”). Series of ETP Securities can offer leveraged long exposure (“**Leveraged Exposures**”), short inversed leveraged exposures (“**Short Exposures**”) and +1x exposure (“**Normal Exposures**”) to the Reference Assets (as defined below). For Series of ETP Securities providing Leveraged Exposures and Short Exposures, the degree of leverage or inversed leverage will be either (i) embedded in the Index or the Investment Strategy; or (ii) a leverage or inversed leverage factor will be embedded directly in the ETP Securities (the “**Leverage Factor**”). *Investors should note that while at the date of this Base Prospectus, all Series of ETP Securities issued pursuant to the Programme will be either linked to an Index or pursue an Investment Strategy, the Issuer anticipates that the Programme may be amended in the future to facilitate the issue of ETP Securities which are not linked to Indices or Investment Strategies.*

A diagrammatic representation of the principal aspects of the structure as currently in place appears below:



Parties to the Programme

Issuer

Leverage Shares Public Limited Company, a public limited company incorporated in Ireland with registered number 597399.

Arranger

Leverage Shares Management Company Limited, a private company limited by shares incorporated in Ireland with registered number 596207.

Margin Loan Provider

Interactive Brokers LLC.

Portfolio Administrator	For each Series of ETP Securities, either Interactive Brokers (UK) Limited or GWM Limited, as specified in the relevant Final Terms.
Custodian	For Series to which the First Portfolio Administration Agreement applies, Interactive Brokers LLC.
Trustee	Apex Corporate Trustees (UK) Limited.
Issuing and Paying Agent	Link ASI Limited.
CREST Settlement Agent	Link Market Services Trustees Limited.
Paying Agents	The Issuer may appoint additional paying agents in relation to a Series of ETP Securities if required by the rules of any stock exchange on which ETP Securities are listed or admitted to trading.
Irish Listing Agent	Matheson.
Registrar	Link Registrars Limited.
Determination Agent	Calculation Agent Services LLC.
Authorised Participant(s)	<p>BNP Paribas Arbitrage S.N.C. and any Eligible Authorised Participant that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the Operating Procedures Agreement.</p> <p>Only an Authorised Participant may subscribe for or require the Issuer to repurchase the ETP Securities (except in limited circumstances).</p> <p>The ETP Securities are to be traded on one or more stock exchanges (see below “<i>Listing and admission to trading</i>”). The ETP Securities may be bought and sold on such exchanges without the involvement of an Authorised Participant.</p> <p>“Eligible Authorised Participant” means any entity that meets the requirements of the Operating Procedures Agreement.</p>
Broker Dealer of Record	GWM Limited.
Description of the Programme	<p>If so specified in the Final Terms in respect of any Tranche of ETP Securities, the Issuer consents to the use of the Base Prospectus by any Authorised Participant (an “Authorised Offeror”) in connection with any offer of ETP Securities that is not within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (a “Non-exempt Offer”) during the offer period specified in the relevant Final Terms (the “Offer Period”), in the relevant Member State(s) and subject to the applicable conditions, in each case specified in the relevant Final Terms.</p> <p>The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.</p>
The Programme	On 5 December 2017 the Issuer established a programme (the “ Programme ”) for the issuance of collateralised exchange-traded securities (“ ETP Securities ”). The

maximum number of ETP Securities that may be outstanding at any time under the Programme is 1,000,000,000.

Issuance of Series of ETP Securities

The Issuer may issue Series of ETP Securities under the Programme (each a “**Series**”). With the exception of the Issuer’s obligations under the Second Margin Account Agreement, each Series of ETP Securities constitutes limited recourse obligations of the Issuer, secured on and payable solely from the assets constituting the Security in respect of such Series. Each Series of ETP Securities may comprise one or more tranches (each, a “**Tranche**”).

With the exception of the Issuer’s obligations under the Second Margin Account Agreement, if the net proceeds of the enforcement of the assets constituting the Security for a Series of ETP Securities are not sufficient to make all payments due in respect of such Series of ETP Securities (after payment of all obligations of the Issuer ranking senior thereto), no other assets of the Issuer (including the Security in respect of any other Series of ETP Securities) will be available to meet such shortfall and the claims of the creditors of the Issuer in respect of such Series and such shortfalls shall be extinguished.

Method of issuance

ETP Securities will be issued in Series. Each Series may comprise a number of different Tranches issued on identical terms other than the Issue Date and Issue Price and with the ETP Securities of each Tranche of a Series being interchangeable with all other ETP Securities of that Series.

In Specie Subscription

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Continual issuance and redemption

It is intended that the ETP Securities of each Series shall be subject to a continual issuance and redemption mechanism, under which additional ETP Securities of such Series may be issued as further Tranches, and ETP Securities may be redeemed by ETP Securityholders who are Authorised Participants.

Issuer expenses

Pursuant to a services agreement between the Issuer and the Arranger and certain of the Programme Documents, the Arranger has agreed to pay all fees, costs and expenses incurred by the Issuer in relation to the Programme and the ETP Securities (including remuneration and other amounts payable to the Trustee and the Agents) other than:

- (a) the Arranger Fee;
- (b) the relevant Funding and Brokerage Fees;
- (c) any taxes, fees and other amounts payable to the Irish Revenue Commissioners;
- (d) amounts payable to the Margin Loan Provider, the Custodian (where the First

Portfolio Administration Agreement applies to the relevant Series) and the Broker Dealer of Record;

- (e) the costs and expenses incurred in connection with the liquidation of the Collateral Assets.

Principal features of the ETP Securities

Form of the ETP Securities

The ETP Securities may be issued in bearer form (including in new global note form and in classic global note form) and serially numbered, in registered form (including in registered form issued under the new safekeeping structure), in bearer form exchangeable for Registered Securities or in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities, in each case in the amount and currency of denomination specified in the applicable Final Terms.

Terms and Conditions of the ETP Securities

Each Series of ETP Securities will have the terms and conditions set out in the section of this Base Prospectus headed "*Terms and Conditions of the ETP Securities*" as completed by the Final Terms in respect of each Tranche of that Series.

Status of ETP Securities

The ETP Securities of each Series are secured, limited recourse debt obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves.

Notwithstanding the above, there can be no assurance that the courts or regulatory authorities in any jurisdiction would not recharacterise the ETP Securities as units in a collective investment scheme. Any recharacterisation of the ETP Securities as units in a collective investment scheme may have adverse consequences for an investor (including, without limitation, adverse tax consequences and / or a mandatory redemption of the ETP Securities).

Prospective investors should consult their professional advisers on the implications, and in particular the tax and accounting implications, of investment in the ETP Securities.

Issue Price

The Issue Price in respect of each Tranche of ETP Securities will be set out in the Final Terms with respect to such Tranche.

Principal Amount

The Principal Amount in respect of each Tranche of ETP Securities will be set out in the Final Terms with respect to such Tranche.

Principal Protection Amount

An amount per ETP Security, in respect of each Tranche of ETP Securities, corresponding to 2.00 per cent of the Principal Amount for the ETP Security of such Tranche.

Denomination

The Denomination of each ETP Security is equal to its Principal Amount.

Interest

The ETP Securities will not bear interest at a prescribed rate.

Redemption at maturity

Unless previously redeemed in whole or purchased and cancelled by the Issuer, the ETP Securities of each Series

will become due and payable on their Final Redemption Settlement Date at their Final Redemption Amount.

Final Redemption Settlement Date

The Final Redemption Settlement Date in respect of a Series of ETP Securities will be the day that falls three Currency Business Days after the Final Redemption Date.

Final Redemption Date

The Final Redemption Date in respect of each Series of Notes will be set out in the Final Terms with respect to such Series.

Final Redemption Amount

An amount equal to the greater of:

- (1) the Principal Protection Amount of the ETP Security; and
- (2) the Pro-rata Liquidation.

Pro-rata Liquidation

The Pro-rata Liquidation means an amount equal to the liquidation of the relevant Collateral Assets held in the Margin Account for a Series of ETP Securities, *pro rata* to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Series, after the *pro rata* deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the pro rata deduction of the Arranger Fee and any applicable margin interest, securities lending and brokerage fees (the "**Funding and Brokerage Fees**").

Mandatory Redemption

The ETP Securities of a Series may fall for mandatory redemption prior to their Final Redemption Date at the Mandatory Redemption Amount if a Mandatory Redemption Event occurs.

Mandatory Redemption Events

The ETP Securities of a Series may fall for mandatory redemption if any of the following events occur:

- (1) the Issuer determines that it is not appropriate to make adjustments to the Conditions of the ETP Securities following the occurrence of an Adjustment Event (meaning an Index Cancellation, an Index Modification an Index Disruption; or an Investment Strategy Modification), thereby triggering a Disruption Redemption Event;
- (2) if on any Valuation Date falling on or after the 60th calendar day following a Threshold Event Date, the ETP Security Value is less than 2.00 per cent. of the Principal Amount of such ETP Securities,
- (3) any of the Determination Agent, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar, the Portfolio Administrator and/or all of the Authorised Participants in relation to the ETP Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect;
- (4) if the ETP Security Value in respect of the ETP Securities has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Valuation Dates (a "**Publication Failure Event**") and

the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least a majority of the ETP Securities then outstanding to trigger a Mandatory Redemption Event;

- (5) (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, the Issuer gives notice that the ETP Securities of a Series are to be redeemed, because:
 - (i) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under such ETP Securities and/or the Margin Account Agreement; or
 - (ii) it would become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Collateral Asset, and/or (y) perform its obligations under the ETP Securities and/or the Margin Account Agreement;
- (6) the Margin Account Agreement terminates prior to the redemption of all of the ETP Securities for any reason; or
- (7) the Issuer exercises its option to call all or some of the ETP Securities for early redemption.

Mandatory Redemption Amount

An amount per ETP Security calculated by the Determination Agent equal to the greater of:

- (A) the Principal Protection Amount of such ETP Security; and
- (B) the Pro-rata Liquidation.

Optional Redemption by ETP Securityholders who are Authorised Participants

An ETP Securityholder which is also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities of a Series at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order.

Optional Redemption by ETP Securityholders who are not Authorised Participants

An ETP Securityholder which is not also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered.

Optional Redemption Amount

An amount per ETP Security calculated by the Determination Agent equal to the greater of: (a) the Principal Protection

Amount of such ETP Security; and (b) the Pro-rata Liquidation.

In Specie Redemption

The Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by the Determination Agent to be equal to the Optional Redemption Amount.

ETP Security holder's exposure to the performance of the applicable Index

The return on Index-linked Series of ETP Securities will be linked to the performance of the applicable Index, as the Final Redemption Amount, the Mandatory Redemption Amount or the Optional Redemption Amount will be derived from the liquidation of the Collateral Assets, which will be selected in order to replicate (to the degree practicable) the return of the Index referenced by such Series in accordance with the Leverage Factor of such Series of ETP Securities.

Index

A Series of ETP Securities may be linked to an index specified in the relevant Final Terms (see the section of this Base Prospectus headed "*Description of the Indices*").

The Index may be a leveraged index. Leveraged indices provide a leveraged exposure to the Reference Assets with the effect that any negative or positive changes in the value of such Reference Assets will be multiplied by the applicable Leverage Factor.

The Index may provide a long or short exposure to the Reference Assets. Where the Index provides a long exposure, any increase in the value of the Reference Assets will cause the Index level to increase.

Where the Index provides a short exposure, any decrease in the value of the Reference Assets will cause the Index Level to increase.

The Index will provide exposure to the relevant Reference Assets specified in the relevant Final Terms (see below and the sections of this Base Prospectus headed "*The Reference Assets*" for further information on the Reference Assets)

Investment Strategy

A Series of ETP Securities may be linked to an investment strategy specified in the relevant Final Terms (see the section of this Base Prospectus headed "*Description of the Investment Strategies*").

The Investment Strategy will describe the manner in which the proceeds of the issuance of the ETP Securities are to be invested along with any leverage to be employed in respect of such Investment Strategy.

Where the Investment Strategy provides for a long exposure, any increase in the value of the Reference Assets will cause an increase in the ETP Security Value (excluding the effects of any applicable fees and adjustments).

Where the Investment Strategy provides for a short exposure, any decrease in the value of the Reference Assets

Reference Assets

will cause an increase in the ETP Security Value (excluding the effects of any applicable fees and adjustments).

The underlying assets of the Index or Investment Strategy in respect of a Series of ETP Securities.

Series may be issued from time to time where the Reference Assets consist of the following categories of assets:

- (a) equity securities;
 - (b) debt securities;
 - (c) fixed income securities;
 - (d) exchange traded funds; and
- (items (a) to (d), “**Physical Assets**”)
- (e) futures contracts.

Equity Securities

The Reference Assets may be comprised of an equity security which demonstrates the following characteristics:

- (i) issued by any corporate whose equity securities are a constituent part of any of the S&P 500 index, the FTSE 250 index, the NASDAQ 100 index or the EuroStoxx 600 index as at the Issue Date of the first Tranche of ETP Securities of such Series; and
- (ii) admitted to trading on a “regulated market” or “equivalent third country market” within the meaning of the Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

Debt Securities

As at the date of this Base Prospectus, there are no debt securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus with details of debt securities that may be designated as Reference Assets.

Fixed Income Securities

As at the date of this Base Prospectus, there are no fixed income securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus with details of fixed income securities that may be designated as Reference Assets.

Exchange Traded Funds

As at the date of this Base Prospectus, there are no exchange traded funds which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the

Prospectus Regulation, prepare a supplement to this Base Prospectus with details of exchange traded funds that may be designated as Reference Assets.

Futures Contracts

The Reference Assets may be comprised of the NYSE FANG + Index Futures Contracts (the “**FANG Futures**”) which provide exposure to the NYSE FANG+ Index.

The assets backing each Series of ETP Securities have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the ETP Securities.

For further information, see the section of this Base Prospectus entitled “Description of the Reference Assets”.

Investors should note that the Issuer anticipates that the Base Prospectus and other Programme Documents may be amended from time to time to permit the Issuer to issue series of ETP Securities backed by other Reference Assets.

Collateral Assets

The assets of the Issuer in respect of each Series of ETP Securities, being:

in the case of Leveraged Exposures and Normal Exposures where the Reference Assets are Physical Assets:

- (a) the Reference Assets of the applicable Index or Investment Strategy for such Series of ETP Securities;
- (b) Ancillary Assets (as defined below); and
- (c) any cash;

in the case of Short Exposures where the Reference Assets are Physical Assets:

- (a) the mark to market value of the securities loans;
- (b) the Ancillary Assets; and
- (c) any cash;

in the case of ETP Securities where the Reference Assets are futures contracts:

- (a) the mark to market value of the futures contracts;
- (b) the Ancillary Assets; and
- (c) any cash,

in each case as held in the Margin Account, as described below (the “**Collateral Assets**”).

Ancillary Assets

Amounts standing to the credit of a Margin Account in respect of a Series of ETP Securities, to the extent not required for investment in the Reference Assets to replicate the performance of the Index or to pursue the Investment Strategy for that Series, may at the direction of the Portfolio

Administrator be maintained as cash balances in the Margin Account or invested in sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited ("**Ancillary Assets**").

Leverage Factor

Each Series of ETP Securities is assigned a Leverage Factor in the relevant Final Terms.

Events of Default

If:

- (1) the Issuer defaults in the payment of any sum due in respect of a Series of ETP Securities or any of them for a period of 14 calendar days or more;
- (2) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under the ETP Securities, the Trust Deed or any other Programme Document, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- (3) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;
- (4) an examiner is appointed in respect of the Issuer; or
- (5) a Margin Loan Provider Event of Default or Margin Loan Provider insolvency occurs

then the Trustee at its discretion may, or shall, if so directed in writing by the required proportion of the ETP Securityholders, provided that it has been indemnified and/or secured and/or prefunded to its satisfaction, declare that the ETP Securities of such Series are immediately due and payable at their Final Redemption Amount.

Limited recourse

In respect of the ETP Securities of any Series, with the exception of the Margin Loan Provider with respect to the Second Margin Account Agreement, the Programme Parties and the ETP Securityholders shall have recourse only to the Secured Property in respect of such ETP Securities, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in the Conditions and the Trust Deed, any outstanding claim against the Issuer in respect of the Secured Obligations remains unpaid, then such outstanding claim shall be

extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, with the exception of the Margin Loan Provider with respect to the Second Margin Account Agreement, none of the Programme Parties, the ETP Securityholders of any relevant Series or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation shall be owed to any such persons by the Issuer in respect of such further sum.

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

Governing law of ETP Securities

Each Series of ETP Securities, the Master Trust Deed and the Supplemental Trust Deed relating to a Series of ETP Securities will each be governed by Irish law.

Listing and admission to trading

Application may be made to the FCA for ETP Securities issued under this Programme to be admitted to the Official List of the FCA. Application may be made to the London Stock Exchange for ETP Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange.

Application may be made to Cboe for the ETP Securities issued under this Programme to be admitted to listing and trading on Cboe's recognised investment exchange, regulated by the FCA.

Application may be made to the Frankfurt Stock Exchange for ETP Securities issued under this Programme to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange.

Application may be made to the Italian Stock Exchange for ETP Securities issued under this Programme to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the Italian Stock Exchange and/or SeDeX, the multilateral trading facility of the Italian Stock Exchange.

Application may be made to Euronext Paris for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Paris.

Application may be made to Euronext Amsterdam for ETP Securities issued under this Programme to be admitted to

listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.

Application may be made to Euronext London for ETP Securities issued under this Programme to be admitted to listing and trading on Euronext London, the regulated market operated by Euronext London.

Selling and transfer restrictions

There are restrictions in relation to the offering and sale of ETP Securities and the distribution of offering materials in certain jurisdictions. See the section of this Base Prospectus headed “*Subscription and Sale*”.

Portfolio Administration Agreement

In connection with the Programme, the Issuer and the Portfolio Administrator, amongst others, have entered into the First Portfolio Administration Agreement and the Second Portfolio Administration Agreement (each as defined in the section of this Base Prospectus headed “*Terms and Conditions of the ETP Securities*”). For each Series the applicable Final Terms will specify whether the First Portfolio Administration Agreement or the Second Portfolio Administration Agreement is applicable to that Series.

Pursuant to the terms of the First Portfolio Administration Agreement, for each Series of ETP Securities to which the First Portfolio Administration Agreement is applicable, the net proceeds of the issuance of such Series or Tranche of ETP Securities will be deposited with the Custodian, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount (as defined below) shall be invested in the Reference Assets of the relevant Index of such Series of ETP Securities, which shall be held by the Custodian on behalf of the Issuer in the Margin Account.

The “**Leveraged Investment Amount**” will be the amount of margin that the Margin Loan Provider will extend by way of credit to the Issuer in the Relevant Currency equal to the product of (i) the difference between the Leverage Factor and one and (ii) the net proceeds of the issuance.

Pursuant to the terms of the Second Portfolio Administration Agreement, for each Series of ETP Securities to which the Second Portfolio Administration Agreement is applicable:

- (a) in relation to the Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of the issuance of such Series or Tranche of ETP Securities will be deposited with the Margin Loan Provider, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount shall be invested in the Reference Assets of the Index or Investment Strategy of such Series of ETP Securities, which shall be held by the Margin Loan Provider on behalf of the Issuer in the Margin Account;
- (b) in relation to Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets of the Index or Investment Strategy of such Series which shall be held by the

Margin Loan Provider on behalf of the Issuer in the Margin Account;

- (c) in relation to the Short Exposures where the Reference Assets are Physical Assets, the Portfolio Administrator, on behalf of the Issuer, will short sell Reference Assets which it will borrow from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series taking into account the applicable Leverage Factor;
- (d) in relation to ETP Securities where the Reference Assets are futures contracts, the net proceeds of issuance of such Series of ETP Securities will be held in Margin Account to fund margin payments to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series taking into account the applicable Leverage Factor.

Margin Account

A securities account, cash account, margin account or collateral account established for each Series with the Custodian (for Series to which the First Portfolio Administration Agreement applies) or the Margin Loan Provider (for Series to which the Second Portfolio Administration Agreement applies) for the purpose of holding the Collateral Assets, including where applicable the Reference Assets and all distributions received by or on behalf of the Issuer in respect of the Reference Assets and all proceeds of the Reference Assets.

Investment Objective

The investment objective of each Series of ETP Securities is to provide ETP Securityholders with a return that will seek to either track the performance of an Index or pursue an Investment Strategy in accordance with the Leverage Factor of such Series of ETP Securities.

The Issuer's obligations in respect of a Series of ETP Securities will be funded by the investment of the net proceeds of the issuance of each Tranche of such Series of ETP Securities in the Reference Assets of the relevant Index or Investment Strategy of such Series.

The only funds available to the Issuer to pay the amount due in respect of the redemption of any ETP Security will be proceeds of the liquidation of the *pro rata* portion of the Collateral Assets (after deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the Arranger Fee and the Funding and Brokerage Fees).

Security for the ETP Securities

In respect of the ETP Securities of each Series, the Security shall be constituted by the Security Documents relating to such Series.

Pursuant to the applicable Security Documents, the Issuer will create security in respect of a Series of ETP Securities in favour of the Trustee (for the benefit of the relevant Secured Creditors) over (subject to the Margin Loan Provider's first ranking security interest as described below) (i) all of the

Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; (ii) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent) to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (iii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the Margin Account Agreement and the Portfolio Administration Agreement and (iv) all of the Issuer's rights as against the Margin Loan Provider, the Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) and/or any Sub-Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider, the Custodian or of the Custodian (on behalf of the Issuer) with any Sub-Custodian relating to the ETP Securities, in each case, to the extent that they relate to the ETP Securities, in favour of the Trustee for its benefit and for the benefit of the Secured Creditors.

The Security created in favour of the Trustee for the benefit of the Secured Creditors will be subordinated to a first ranking security interest created by the Issuer in favour of the Margin Loan Provider as security for the Issuer's obligations under the Margin Account Agreement.

Settlement and clearing

A Series of ETP Securities may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Securities, Registered Securities, definitive bearer securities or uncertificated registered securities.

Uncertificated registered securities shall be held in uncertificated registered form in accordance with the Uncertificated Securities Regulations 2001 and the Irish Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996), as amended by the Irish Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (S.I. No. 693 of 2005) and such other regulations made under section 1086 of the Irish Companies Act 2014 having force within Ireland as are applicable to Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) and/or the CREST "relevant system" (as defined in such regulations) and are from time to time in force (the "**Uncertificated Regulations**") and as such are dematerialised and not constituted by any physical document of title. Uncertificated registered securities shall be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. Title to the uncertificated registered securities is recorded on the Register and shall pass by registration in the Register.

See the section of this Base Prospectus headed "Settlement and Clearing of ETP Securities".

ECONOMIC OVERVIEW OF THE ETP SECURITIES

Overview of the ETP Securities

The Issuer may from time to time issue collateralised exchange traded securities under the Programme, that seek to either track an Index providing exposure to one or more Reference Assets or pursue an Investment Strategy which will reference one or more Reference Assets on the terms set out in this Base Prospectus in the section headed "*Terms and Conditions of the ETP Securities*", as completed in respect of each Series of ETP Securities by the Final Terms relating to such ETP Securities.

The Index-linked Series of ETP Securities will track the performance of the Index referenced by that Series, as the ETP Security Value will reflect the value of the Collateral Assets which will be selected in order to replicate (to the degree practicable) the return of the Index referenced by such Series in accordance with the Leverage Factor of such Series of ETP Securities.

With respect to Series of ETP Securities which pursue an Investment Strategy, the ETP Security Value will reflect the value of the Collateral Assets which will be selected in accordance with the Investment Strategy taking into account the applicable Leverage Factor (as defined below).

Leveraged Exposures, Short Exposures and Normal Exposures

Series of ETP Securities can offer leveraged long exposure ("**Leveraged Exposures**"), short inverse exposure ("**Short Exposures**") or +1x exposure ("**Normal Exposures**") to the Reference Assets. For the Leveraged Exposures and the Short Exposures, the degree of leverage or inverse leverage will be either embedded (i) in the Index or the Investment Strategy; or (ii) directly in the ETP Securities. The degree of leverage provided by a Series of ETP Securities will be reflected in a leverage factor which shall be specified in the Final Terms (the "**Leverage Factor**").

Where the Series of ETP Securities provides a Leveraged Exposure or Normal Exposure, this means that the ETP Security Value will increase on any day on which the value of the Reference Assets increases, and will decrease if the value of the Reference Assets falls on such day (in each case excluding the effects of any applicable fees and adjustments).

Where the Series of ETP Securities provides a Short Exposure, this means that the ETP Security Value will increase on any day on which the value of the Reference Assets decreases, and will decrease if the value of the Reference Assets increases on such day (in each case excluding the effects of any applicable fees and adjustments).

Exposure to the Reference Assets

For Index-linked Series of ETP Securities, the Issuer will seek to replicate the performance of the Index by generating an equivalent exposure to the Reference Assets while also taking into account the Leverage Factor. For Series of ETP Securities which pursue an Investment Strategy, the net proceeds of issuance shall be invested in the Reference Assets referenced by such Investment Strategy taking into account the applicable Leverage Factor.

The following is a description of the manner in which the exposure to the relevant Reference Assets will be generated when the ETP Securities provide a Leveraged Exposure and Short Exposure to Physical Assets and futures contracts.

Leveraged Exposures where the Reference Assets are Physical Assets

The Margin Loan Provider will extend the Leveraged Investment Amount by way of credit to the Issuer. The Portfolio Administrator will instruct the Custodian (where the First Portfolio Administration Agreement applies to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series), on behalf of the Issuer, to invest the net proceeds of issuance and the Leveraged Investment Amount in the Reference Asset of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

Short Exposures where the Reference Assets are Physical Assets

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking short positions through engaging in short selling transactions with respect to the Reference Assets. The Issuer will take short positions by borrowing the Reference Assets, at a cost, from the Margin Loan Provider and selling such Reference Assets at the current market price. The proceeds of the sale (the “**Sale Price**”) will be deposited into the Margin Account. The Issuer will profit from such short selling transaction if it can re-purchase the Reference Assets at a lower price in the future and return the borrowed Reference Asset to the Margin Loan Provider. The Issuer will suffer a loss if the re-purchase price costs more than the Sale Price.

The net proceeds of the issue of such Series will be held in the Margin Account to satisfy the initial margin requirements of the Margin Loan Provider.

The Issuer must maintain the initial margin and maintenance margin requirements of the Margin Loan Provider. The initial margin is the amount of money that needs to be held in the Margin Account at the time the short selling transaction is entered into, and the maintenance margin is the amount that must be in the account at any point after the initial transaction.

The net proceeds of the issue of the relevant Series will constitute the initial margin and the proceeds of the sale of the Reference Assets will also be held in the Margin Account to satisfy the maintenance margin requirements.

Leveraged Exposures where the Reference Assets are Futures Contracts

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking long positions in the futures contract. The Issuer will take long positions by acting as the buyer of the futures contract.

By taking a long position, the value of the Issuer’s position in the futures contract will increase if the price of the underlying asset increases. Conversely, the Issuer will be required to make payments to the extent that the price of underlying asset decreases over the term of the futures contract. The potential loss of the Issuer in respect of any long position is limited to the amount of the contract settlement price.

Short Exposures where the Reference Assets are Futures Contracts

The Issuer will seek to replicate the performance of the Index or pursue the Investment Strategy by taking short positions in the futures contracts. The Issuer will take short positions by acting as the seller of futures contracts.

By taking a short position, the value of the Issuer’s position in the futures contract will increase if the price of the underlying asset decreases. Conversely, the Issuer will be required to make payments to the extent that the price of underlying asset increases over the term of the futures contract.

Limiting Losses on Leveraged and Short Exposures

Any losses incurred on the Leveraged Exposures and Short Exposures will lead to a reduction in the amount of Collateral Assets. The Portfolio Administrator will be responsible for monitoring the potential losses on the Leveraged Exposures and Short Exposures to ensure that they do not exceed the amount of the Collateral Assets.

At the end of each Rebalance Period, each Margin Account will be reconstituted, in accordance with the Portfolio Administration Agreement, in order to track the performance of the relevant Index or to ensure leverage levels are in line with the relevant Investment Strategy. This will be achieved (i) where the Reference Assets are Physical Assets, by the purchase of additional Reference Assets or the sale of the existing Reference Assets of such Index or Investment Strategy; and (ii) where the Reference Assets are futures contracts, by rolling them forward before their expiry.

In addition, as defined in the Index or Investment Strategy methodology in respect of a Series of ETP Securities, there is a possibility of an unscheduled rebalancing in the event of (i) a significant decline in the

price of the relevant Reference Assets if the Index or Investment Strategy for such Series provides a Leveraged Exposure to such Reference Assets; and (ii) a significant increase in the price of the relevant Reference Assets if the Index or Investment Strategy for such Series provides a Short Exposure to such Reference Assets. During a Rebalance Period in which an unscheduled rebalance is triggered, the Rebalance Period return of the relevant Series of ETP Securities will not be equal to the Leverage Factor of such Series multiplied by the Rebalance Period price change of the respective Reference Assets. Such unscheduled adjustment seeks to protect the holder of ETP Securities providing Leveraged Exposure or Short Exposure in the event of extreme market movements during Rebalance Periods by crystallising the losses incurred up to that point.

Rebalance Period return and simulated examples

Each ETP Security offering Leveraged Exposure or Short Exposure has a Rebalance Period as set out in the Final Terms. At the end of such Rebalance Period, the Portfolio Administrator will instruct the Custodian (where the First Portfolio Administration Agreement applies to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series) to buy or sell Reference Assets in such amounts as may be required so that, at the beginning of the immediately following Rebalancing Period, the ETP Securities offer their Leveraged Exposure or Short Exposure to the Reference Assets determined by their stated Leverage Factor. If the Rebalance Period is longer than a day, the exposure of such ETP Securities to their Reference Assets will not be rebalanced daily to maintain such exposure constant by reference to the Leverage Factor. As such, the effective level of Leveraged Exposure or Short Exposure offered by such ETP Securities, as the case may be, will vary on each day of the Rebalance Period as prices of the Reference Assets fluctuate and subscriptions and redemptions are fulfilled by the Issuer on a daily basis.

Simulated Examples

For the purposes of this sub-section and the simulated examples below, “ETP Security” will refer to ETP Securities offering Leveraged Exposure or Short Exposure with a Rebalance Period of one day.

Each ETP Security is "daily leveraged" in that on any given day, the change in the ETP Security Value (excluding the effects of any applicable fees and adjustments) will reflect the performance of the relevant Index or Investment Strategy on that day. The ETP Securities seek to track the relevant Index's return or pursue the relevant Investment Strategy for a single Valuation Date only, as measured from the closing price on that Valuation Date to the closing price on the immediately following Valuation Date, and not for any other period. The return of ETP Securities for a period longer than one day is the result of its return for each day compounded over all days in that period.

The simulated returns included in the charts set out below are included merely as examples of possible eventualities in order to demonstrate the relationship between the price of ETP Securities (in each case excluding the effects of any applicable fees, adjustments and the principal protection component, and assuming that no Disruption Event or Adjustment Event occurs) and the performance of the relevant Reference Asset.

The charts below illustrate, for a simulated Series of ETP Securities with Leverage Factors of 3x and -1x, which reference hypothetical daily returns for the same Index or Investment Strategy; (i) how daily returns are calculated on each Valuation Date (Chart 1) and (ii) how the ETP Security Value can develop over periods of more than one Valuation Date (Chart 2). For comparison purposes, the simulated examples below exclude the effects of any applicable fees and adjustments.

Chart 1 – Daily Return of Simulated ETP Securities

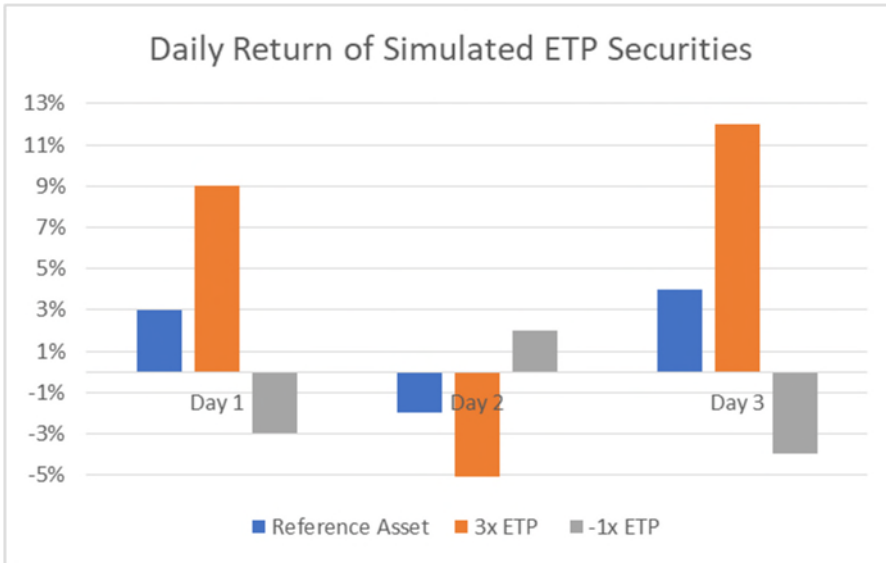


Chart 2 – Price of Simulated ETP Securities

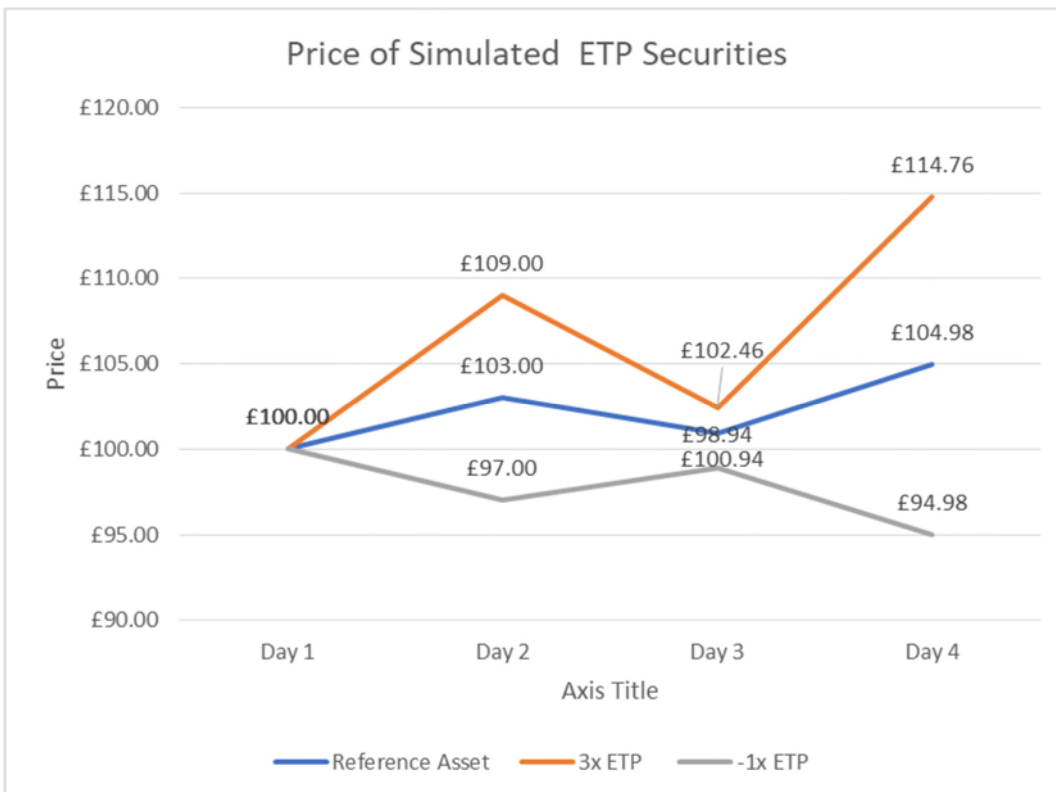
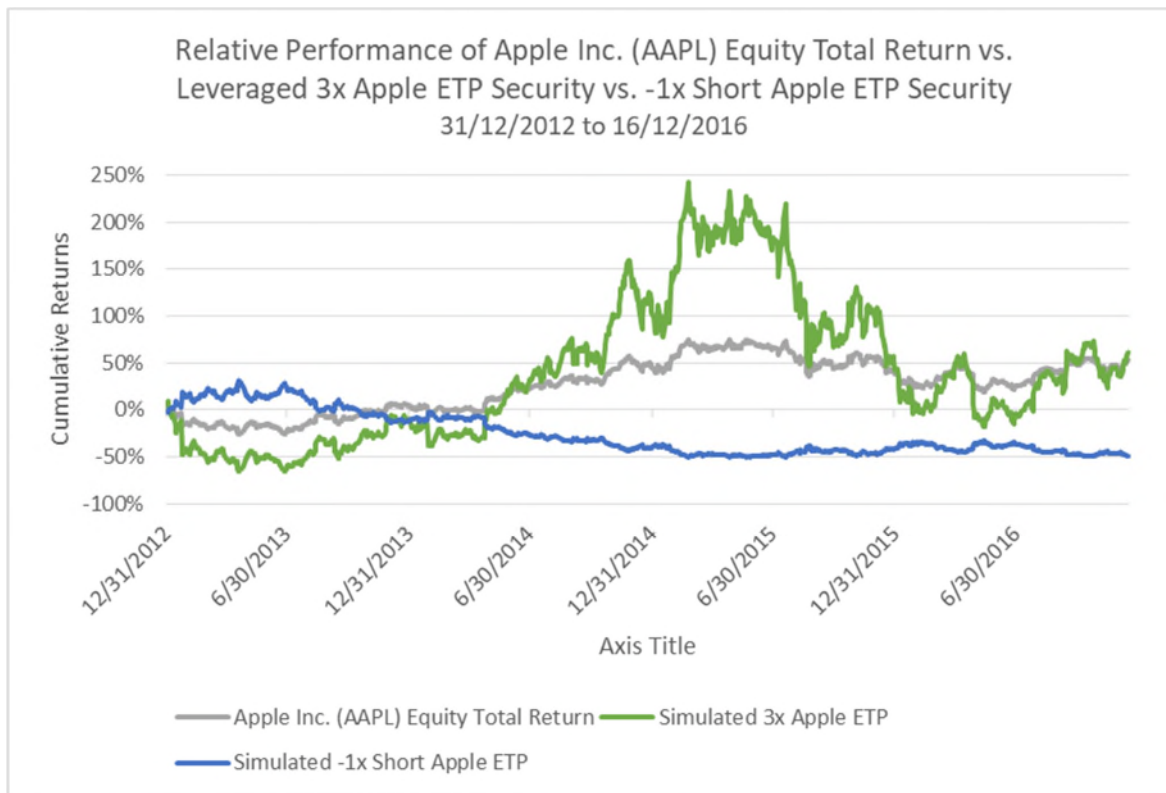


Chart 3 shows how the stock of Apple, Inc., performed between 31 December 2012 and 16 December 2016. It also shows for the performance of a simulated NYSE 3X Daily Leveraged Apple Shares Index and NYSE -1X Daily Leveraged Apple Shares Index over the same period (which for comparison purposes excludes the effects of applicable fees and adjustments).

Chart 3



Charts 4.a and 4.b show the impact of an unscheduled rebalance of the ETP Securities in two hypothetical scenarios. The unscheduled rebalance is a mechanism which only occurs in the event of an extreme price movement in the Reference Asset, as defined in the Index or Investment Strategy methodology for the relevant Series of ETP Securities. In this scenario, the relevant Series of ETP Securities undergoes an unscheduled rebalance when the Reference Asset experiences a specified percentage decline in price on an intraday basis. This unscheduled rebalance follows the same mechanics as the standard end of day rebalance, effectively “resetting” the ETP Security’s leveraged exposure back to the Leverage Factor applicable to such Series of ETP Securities. In the event that an unscheduled rebalance is triggered, the return of the ETP Security on the day in which the unscheduled rebalance occurred is expected to differ from the daily performance of the Reference Asset multiplied by the Leverage Factor, more so than it would on a day in which no unscheduled rebalance occurred. This performance difference is illustrated in Charts 4.a and 4.b below.

Chart 4.a

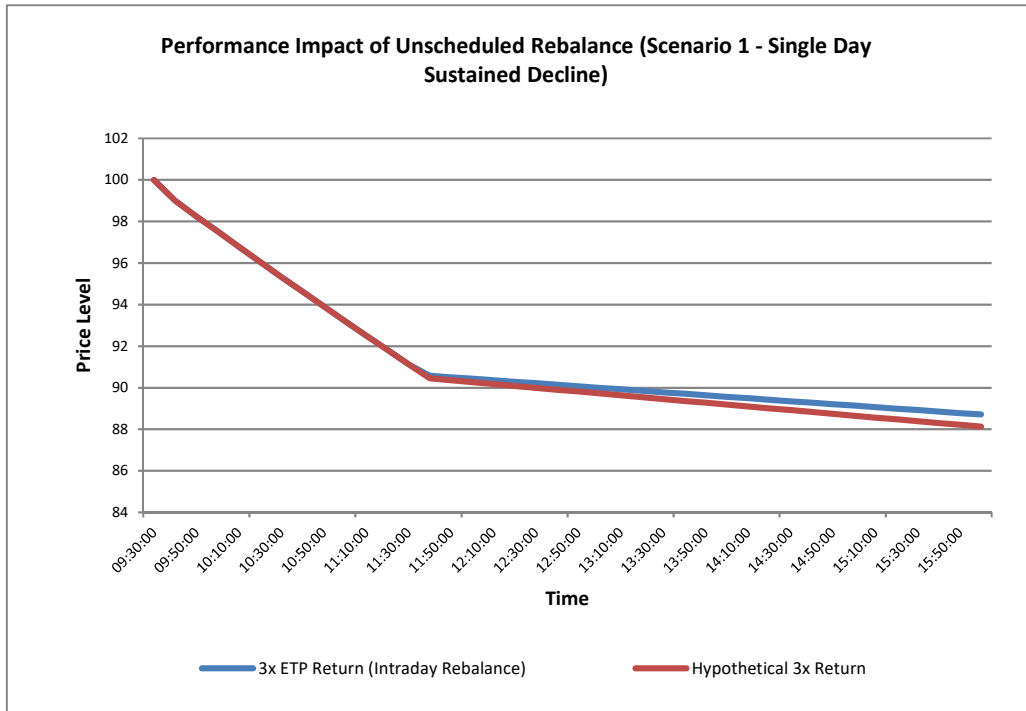
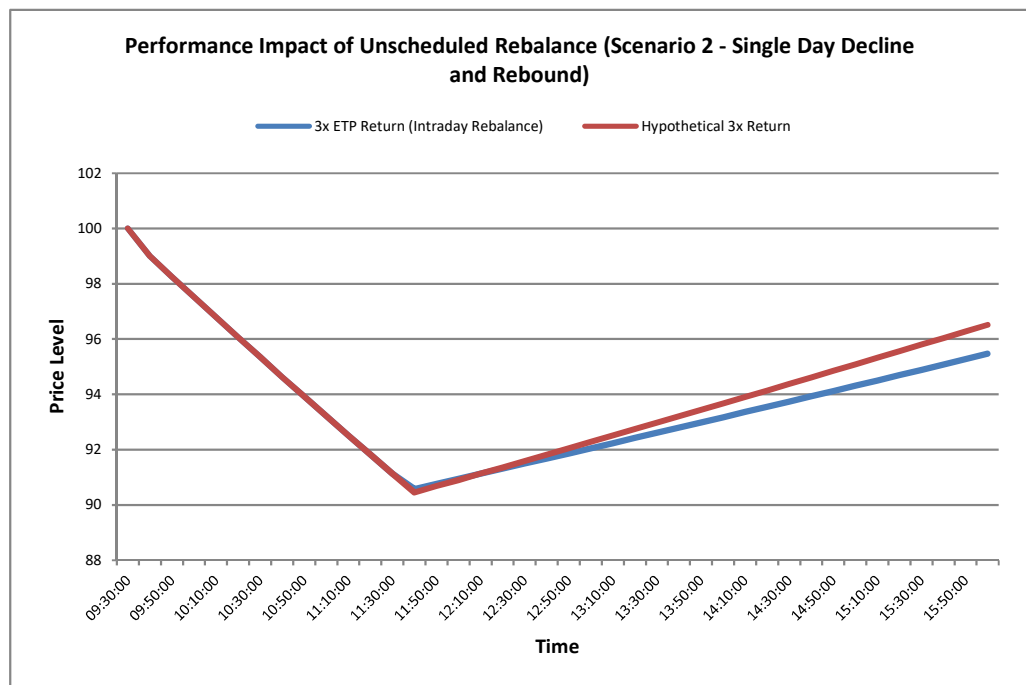


Chart 4.b



As a consequence of the leveraged returns over periods longer than one day (excluding the effects of any applicable fees and adjustments):

(a) the return of such ETP Securities will likely differ from the product of the Reference Asset return and the Leverage Factor; and

(b) an ETP Security will lose value if the relevant Reference Asset's performance is flat (i.e. has a zero or close to zero return); and

(c) it is possible for an ETP Security with Leveraged Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is positive. Similarly it is possible for an ETP Security with a Short Exposure to the relevant Reference Asset to lose value even if the relevant Reference Asset's return is negative; and

(d) the risks in (a) to (c) will be magnified for longer holding periods, higher Reference Asset volatility and higher leverage.

The examples below (which for comparison exclude the effects of any applicable fees and adjustments) illustrate how simulated ETP Securities, which track hypothetical daily returns of a Reference Asset, can behave over periods longer than one day. Each example shows simulated ETP Securities with Leverage Factors of 2x, 3x, and -1x tracking the same hypothetical Reference Asset. In each example, the return on the ETP Securities for each day is equal to the product of the return of the Reference Asset for that day and the relevant Leverage Factor.

Examples of the return of such ETP Securities differing from the product of the Reference Asset's return and the Leverage Factor

Example (a.1) below shows a hypothetical scenario of a sideways trending market, which corresponds to a pattern in which the market moves in a relatively narrow range and where the initial level and final level of the market over the relevant period is similar. The bottom two rows in the table show (1) the cumulative return of the simulated ETP Securities and the hypothetical Reference Asset measured over a five-day period, and (2) the cumulative return of the Reference Asset over that five-day period multiplied by the Leverage Factor of each such ETP Securities (the "**Reference Asset Leveraged Return**").

Although the simulated daily return on the ETP Securities for each of the five days is equal to the product of the return of the Reference Asset for that day and the applicable Leverage Factor, over the entire five-day period the cumulative return of each simulated ETP Security is different to the Reference Asset Leveraged Return. Due to the nature of compounded daily leveraged returns over more than one day, this result is typical of a flat or sideways trending market.

Example (a.1)

Period	Leverage Factor	Reference Asset	ETP Security			
		1x	2x	3x	-1x	
Day 1	Beginning Value	£100.00	£100.00	£100.00	£100.00	
	Return	4.00%	8.00%	12.00%	-4.00%	
	Ending Value	£104.00	£108.00	£112.00	£96.00	
Day 2	Return	-5.00%	-10.00%	-15.00%	5.00%	
	Ending Value	£98.80	£97.20	£95.20	£100.80	
Day 3	Return	3.00%	6.00%	9.00%	-3.00%	
	Ending Value	£101.76	£103.03	£103.77	£97.78	

Day 4	Return	5.00%	10.00%	15.00%	-5.00%
	Ending Value	£106.85	£113.34	£119.33	£92.89
Day 5	Return	-4.00%	-8.00%	-12.00%	4.00%
	Ending Value	£102.58	£104.27	£105.01	£96.60
Entire 5-day period	Cumulative Return	2.58%	4.27%	5.01%	-3.40%
	Theoretical Return = Cumulative Return of Reference Asset x Product Leverage Factor	2.58%	5.16%	7.73%	-2.58%
	Difference Cumulative Return - Theoretical Return	0.00%	-0.89%	-2.72%	-0.82%

Example (a.2) below shows a hypothetical scenario in which the market is trending in one direction (in this case upwards). The five-day cumulative return of the simulated ETP Securities "outperforms" the five-day return of the Reference Asset Leveraged Return. This is seen where the simulated ETP Securities have higher (more positive) returns than the relevant Reference Asset Leveraged Return.

Example (a.2)

Period	Leverage Factor	Reference Asset	ETP Security			
		1x	2x	3x	-1x	
Day 1	Beginning Value	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	5.00%	10.00%	15.00%	-5.00%	
	Ending Value	£105.00	£110.00	£115.00	£95.00	
Day 2	Return	6.00%	12.00%	18.00%	-6.00%	
	Ending Value	£111.30	£123.20	£135.70	£89.30	
Day 3	Return	-1.00%	-2.00%	-3.00%	1.00%	
	Ending Value	£110.19	£120.74	£131.63	£90.19	
Day 4	Return	5.00%	10.00%	15.00%	-5.00%	
	Ending Value	£115.70	£132.81	£151.37	£85.68	
Day 5	Return	7.00%	14.00%	21.00%	-7.00%	
	Ending Value	£123.80	£151.40	£183.16	£79.69	
Entire 5-day period	Cumulative Return	23.80%	51.40%	83.16%	-20.31%	

	Theoretical Return = Cumulative Return of Reference Asset x Product Leverage Factor	23.80%	47.59%	71.39%	-23.80%
	Difference Cumulative Return - Theoretical Return	0.00%	3.81%	11.78%	3.48%

Example of an ETP Security losing value if the relevant Reference Asset's performance is flat (i.e. has a zero or close to zero return)

Example (b) below demonstrates a hypothetical scenario in which the cumulative return of the Reference Asset over a period longer than one day is flat (i.e. zero or close to zero). The simulated ETP Securities all exhibit negative cumulative returns over the period.

Example (b)

Period	Leverage Factor	Reference Asset	ETP Security			
		1x	2x	3x	-1x	
Day 1	Beginning Value	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	-10.00%	-20.00%	-30.00%	10.00%	
	Ending Value	£90.00	£80.00	£70.00	£110.00	
Day 2	Return	11.11%	22.22%	33.33%	-11.11%	
	Ending Value	£100.00	£97.78	£93.33	£97.78	
Entire 2-day period	Cumulative Return	0.00%	-2.22%	-6.67%	-2.22%	

Example (c) below demonstrates a hypothetical scenario in which the cumulative return of the Reference Asset over a period longer than one day is positive, but the simulated ETP Securities exhibit a negative return.

Example (c)

Period	Leverage Factor	Reference Asset	ETP Security			
		1x	2x	3x	-1x	
Day 1	Beginning Value	£100.00	£100.00	£100.00	£100.00	£100.00
	Return	-10.00%	-20.00%	-30.00%	10.00%	
	Ending Value	£90.00	£80.00	£70.00	£110.00	

2 Day	Return	12.00%	24.00%	36.00%	-12.00%
	Ending Value	£100.80	£99.20	£95.20	£96.80
Entire 2-day period	Cumulative Return	0.80%	-0.80%	-4.80%	-3.20%

Examples of risks being magnified by longer holding periods, higher Index volatility and higher leverage

The effect of increasing volatility

The charts below show the performance of simulated ETP Securities with Leverage Factors of 3x (chart d.1) and -1x (chart d.2) over one year for a number of combinations of Reference Asset returns (vertical axis) and volatility (horizontal axis). The charts illustrate that for holding periods longer than one day (in this case one year), the return of ETP Securities decreases as the volatility of the Reference Asset increases (looking left to right), for a specified Reference Asset return. The shaded areas indicate combinations where ETP Securities can be expected to return less than the Reference Asset return over the one year holding period.

Chart d.1

1 year return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by 3)	Simulated 1 year returns of ETP with Leverage Factor 3x				
		1 year volatility of the Reference Asset				
		10%	20%	30%	40%	50%
50.0%	150%	227.5%	199.3%	157.6%	108.8%	59.4%
40.0%	120%	166.3%	143.4%	109.5%	69.8%	29.6%
30.0%	90%	113.2%	94.9%	67.7%	35.9%	3.8%
20.0%	60%	67.7%	53.3%	31.9%	6.9%	-18.4%
10.0%	30%	29.2%	18.0%	1.6%	-17.6%	-37.1%
0%	0%	-3.0%	-11.3%	-23.7%	-38.1%	-52.8%
-10.0%	-30%	-29.3%	-35.3%	-44.3%	-54.9%	-65.6%
-20.0%	-60%	-50.3%	-54.6%	-60.9%	-68.3%	-75.8%
-30.0%	-90%	-66.7%	-69.6%	-73.8%	-78.8%	-83.8%
-40.0%	-120%	-79.0%	-80.8%	-83.5%	-86.6%	-89.8%
-50.0%	-150%	-87.9%	-88.9%	-90.5%	-92.3%	-94.1%

Chart d.2

1 year return of Reference Asset	Reference Asset Short return (return of the Reference Asset multiplied by -1)	Simulated 1 year returns of ETP with Leverage Factor -1x				
		1 year volatility of the Reference Asset				
		10%	20%	30%	40%	50%
50.0%	-50%	-34.0%	-35.9%	-39.1%	-43.2%	-48.1%
40.0%	-40%	-29.3%	-31.4%	-34.7%	-39.1%	-44.4%
30.0%	-30%	-23.8%	-26.1%	-29.7%	-34.5%	-40.1%
20.0%	-20%	-17.5%	-19.9%	-23.8%	-29.0%	-35.1%
10.0%	-10%	-10.0%	-12.7%	-16.9%	-22.5%	-29.2%
0%	0%	-1.0%	-3.9%	-8.6%	-14.8%	-22.1%
-10.0%	10%	10.0%	6.8%	1.5%	-5.3%	-13.5%
-20.0%	20%	23.8%	20.1%	14.2%	6.5%	-2.6%
-30.0%	30%	41.4%	37.3%	30.6%	21.7%	11.3%
-40.0%	40%	65.0%	60.1%	52.3%	42.0%	29.8%
-50.0%	50%	98.0%	92.2%	82.8%	70.4%	55.8%

The simulation in the charts above assumes a randomly determined daily Reference Asset return ending with the specified cumulative Reference Asset return over one year. For ease of illustration, the returns of the simulated +3x and -1x ETP Securities are calculated excluding the effects of any applicable fees and adjustments.

The effect of longer holding periods

The chart below shows the performance of a simulated Reference Asset with an annualised volatility of 25% and simulated ETP Securities with Leverage Factors of 3x and -1x. For each holding period (horizontal axis) and each cumulative return of the Reference Asset over such holding period (vertical axis), the chart shows the cumulative return of a simulated ETP Security versus the Reference Asset Leveraged Return over that period. The charts below illustrates that, for the same Reference Asset return, the cumulative return of ETP Security decreases as the holding period increases (looking left to right). The shaded areas indicate combinations where the relevant simulated ETP Securities can be expected to return less than the Reference Asset Leveraged Return over the holding period.

Chart d.3

1 year return of Reference Asset	Reference Asset Leveraged Return (return of Reference Asset multiplied by 3)	Simulated returns of ETP with Leverage Factor 3x				
		Length of holding period at 25% volatility				
		3 Months	6 Months	1 Year	2 Years	3 Years
50.0%	150.0%	222.0%	207.3%	179.8%	132.0%	92.3%
40.0%	120.0%	161.8%	149.8%	127.5%	88.6%	56.3%

30.0%	90.0%	109.6%	100.0%	82.1%	51.0%	25.2%
20.0%	60.0%	64.9%	57.3%	43.3%	18.8%	-1.5%
10.0%	30.0%	27.0%	21.2%	10.3%	-8.5%	-24.2%
0%	0.0%	-4.6%	-8.9%	-17.1%	-31.3%	-43.0%
-10.0%	-30.0%	-30.4%	-33.6%	-39.6%	-49.9%	-58.5%
-20.0%	-60.0%	-51.1%	-53.4%	-57.6%	-64.8%	-70.8%
-30.0%	-90.0%	-67.3%	-68.8%	-71.6%	-76.4%	-80.5%
-40.0%	-120.0%	-79.4%	-80.3%	-82.1%	-85.2%	-87.7%
-50.0%	-150.0%	-88.1%	-88.6%	-89.6%	-91.4%	-92.9%

Chart d.4

1 year return of Reference Asset	Reference Asset Leveraged Return (return of Reference Asset multiplied by -1)	Simulated returns of ETP with Leverage Factor -1x				
		Length of holding period at 25% volatility				
		3 Months	6 Months	1 Year	2 Years	3 Years
50.0%	-50.0%	-34.4%	-35.4%	-37.4%	-41.2%	-44.7%
40.0%	-40.0%	-29.7%	-30.8%	-32.9%	-37.0%	-40.8%
30.0%	-30.0%	-24.3%	-25.4%	-27.7%	-32.1%	-36.2%
20.0%	-20.0%	-18.0%	-19.2%	-21.7%	-26.5%	-30.9%
10.0%	-10.0%	-10.5%	-11.9%	-14.6%	-19.8%	-24.6%
0%	0.0%	-1.6%	-3.1%	-6.1%	-11.8%	-17.1%
-10.0%	10.0%	9.4%	7.7%	4.4%	-1.9%	-7.9%
-20.0%	20.0%	23.1%	21.2%	17.4%	10.3%	3.6%
-30.0%	30.0%	40.6%	38.5%	34.2%	26.1%	18.4%
-40.0%	40.0%	64.1%	61.5%	56.6%	47.1%	38.2%
-50.0%	50.0%	96.9%	93.8%	87.9%	76.5%	65.8%

The simulation in the charts assume a randomly determined daily Reference Asset return ending with the indicated cumulative return over the specified holding period. For ease of illustration, the returns of the simulated +3x ETP Security and -1x ETP Security are calculated excluding the effects of any applicable fees and adjustments.

ETP Security Value

The ETP Security Value is calculated daily to reflect the value of the Collateral Assets in respect of a Series of ETP Securities and will take into account all applicable fees and expenses. On the Issue Date of the Tranche, the ETP Security Value will be equal to its Issue Price. On any Valuation Date thereafter (which is

not a Disrupted Day and on which an Unscheduled Rebalance does not occur), the ETP Security Value is calculated as the ETP Security Value on the immediately preceding Valuation Date adjusted by (i) the change in the value of the Collateral Assets since such preceding Valuation Date, minus (ii) the applicable Funding and Brokerage Fees, minus (iii) the Arranger Fee, plus (iv) Value Adjustments (as defined below).

"Value Adjustments" reflect any cash lending revenues and other revenues on collateral in respect of a Series of ETP Securities.

The Funding and Brokerage Fees reflect costs that would be incurred by a hypothetical investor seeking to gain the exposure offered by the relevant Series of ETP Securities. For example:

- In order to achieve a Leveraged Exposure in a Reference Asset, a hypothetical investor must borrow funds at a cost in order to finance the additional investment in the Reference Asset to gain the desired leverage.
- To rebalance a Leveraged Exposure, a hypothetical investor needs to either sell or buy the Reference Asset. In markets where transaction taxes apply on the sale or purchase of securities, such investor will incur the cost of the transaction taxes.
- In order to achieve a Short Exposure in a Reference Asset, a hypothetical investor taking such Short Exposure must borrow the Reference Asset at a cost in order to sell it and gain the desired Short Exposure.
- In order to achieve a Normal Exposure, Leveraged Exposure or Short Exposure to a Reference Asset consisting of a futures contract, a hypothetical investor would incur brokerage costs in opening or closing positions in such futures contract in order to gain the desired exposure to such Reference Asset.

Factors affecting the ETP Security Value and the market value of the ETP Securities

The ETP Security Value may be affected by a number of factors, including:

- i. the performance of the Index or Investment Strategy referenced by that Series. The performance of the Index or Investment Strategy referenced by a Series is affected by the following (where relevant): value of the Reference Assets for that Index or Investment Strategy, the level of any interest rates employed in the calculation of that Index or Investment Strategy, any transaction tax accounted for in the calculation of that Index and the degree of leverage applied under the methodology of that Index or Investment Strategy. The value of the Reference Assets for the Index or Investment Strategy will vary depending on global and regional economic performance, market sentiment, borrowing and lending rates, the liquidity of the Reference Assets and any other factors that may affect the ability of a holder of such security to value or sell their holding;
- ii. the level of the fees (including Arranger Fees) and funding and borrowing adjustments applied in calculating the ETP Security Value, which may be varied by agreement between the Issuer and the relevant Margin Loan Provider;
- iii. the occurrence of a Disruption Event, an Adjustment Event or a change in law; and
- iv. the occurrence of unscheduled rebalancing.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the ETP Securities. The market price of the ETP Securities may also be affected by a number of factors, including, but not limited to:

- i. with respect to Index-linked Series, the value and volatility of the Index referenced by such Series of ETP Securities and the assets underlying that Index;
- ii. with respect to Series which pursue an Investment Strategy, the value of the Reference Assets referenced by such Investment Strategy;

- iii. the degree of leverage applicable to such Series of ETP Securities;
- iv. market perception, interest rates, yields and foreign exchange rates;
- v. whether or not any market disruption is subsisting;
- vi. the nature and value of any Collateral Assets relating to such Series of ETP Securities;
- vii. the creditworthiness of the Margin Loan Provider, Portfolio Administrator, the Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) any Sub-Custodian (in respect of Series to which the First Portfolio Administration Agreement applies) and the Authorised Participants;
- viii. any fees or execution costs applicable to subscriptions for or redemptions of the ETP Securities; and
- ix. the liquidity in the ETP Securities.

The ETP Security Value and the secondary market price of the ETP Securities can go down as well as up throughout the term of the ETP Securities. Individual equity securities are generally more volatile than prices in other asset classes and the secondary market price per ETP Securities which provide for Leveraged Exposure or Short Exposure to a Reference Asset is expected to demonstrate higher volatility than the non-leveraged price movements of the Reference Asset. The ETP Security Value and market price of the ETP Securities on any Valuation Date may not reflect their prior or future performance. There can be no assurance as to the future value and market price of the ETP Securities. See the section of this Base Prospectus headed "Risk Factors" for a description of certain of the risks associated with an investment in ETP Securities.

Issue Price

The Issue Price in respect of a Tranche of ETP Securities will be specified in the Final Terms relating to such Tranche.

Use of issue proceeds

The net proceeds of issuance of each Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of any Series, will be paid to the Custodian (where the First Portfolio Administration Agreement applies to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series), on behalf of the Issuer, and invested as follows:

- (a) in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, taking into account the applicable Leverage Factor, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- (b) in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- (c) in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested, at the discretion of the

Portfolio Administrator in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling the Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor, will be held in the relevant Margin Account with the Custodian (where the First Portfolio Administration Agreement applies in relation to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series); and

- (d) in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy referenced by such Series taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

The holders of a Series of ETP Securities are entitled to the benefit of the security created over the Collateral Assets held in the Margin Account.

In Specie Subscription

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Ancillary Assets

The Portfolio Administrator may direct that amounts standing to the credit of the Margin Account, to the extent not required to be invested in Reference Assets to replicate the performance of the Index or to pursue the Investment Strategy, be maintained as cash balances in the Margin Account or invested in Ancillary Assets comprising sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited.

Interest on the ETP Securities

The ETP Securities do not bear interest at a prescribed rate.

Amount payable on the maturity of the ETP Securities

Unless previously redeemed in whole or purchased and cancelled by the Issuer, each Series of ETP Securities will become due and payable on their Final Redemption Settlement Date at their Final Redemption Amount.

The Final Redemption Amount of each ETP Security shall be an amount calculated by the Determination Agent to be equal to the greater of (a) the Principal Protection Amount of such ETP Security; and (b) the Pro-rata Liquidation, as calculated in accordance with Condition 8.

Early redemption

If an Event of Default occurs in respect of a Series of ETP Securities, each ETP Security of such Series will become due and payable on the relevant Final Redemption Settlement Date at its Final Redemption Amount, subject to the Issuer having sufficient funds available, after applying the proceeds of the enforcement of the Security in paying all senior amounts due in accordance with the applicable orders of priority, to pay such amounts in full.

Optional redemption of ETP Securities by ETP Securityholders

ETP Securities may be applied for and redeemed on any Valuation Date, but the requisite application and redemption notices and orders may only be given by Authorised Participants. All other persons must buy and sell ETP Securities through trading on the stock exchange(s) on which such ETP Securities are admitted to trading.

An ETP Securityholder which is also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities of a Series at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement.

An ETP Securityholder of any Series which is not also an Authorised Participant may require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has been delivered.

Any ETP Security that is subject to Optional Redemption in accordance with Condition 8.2 will become due and payable on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount, being an amount per ETP Security as calculated by the Determination Agent equal to the greater of:

- (A) the Principal Protection Amount of an ETP Security; and
- (B) the Pro-rata Liquidation.

In Specie Redemption

The Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by the Determination Agent to be equal to the Optional Redemption Amount.

Mandatory redemption

If a Mandatory Redemption Event occurs in respect of a Series of ETP Securities, each ETP Security of such Series will become due and payable on the Mandatory Redemption Settlement Date at its Mandatory Redemption Amount.

Funding of payments due to the holders of the ETP Securities

The Issuer will fund any payment(s) due to the holder of an ETP Security (including, for the avoidance of doubt, any Final Redemption Amount, Optional Redemption Amount or Mandatory Redemption Amount due in respect of such ETP Security) from the liquidation of the Collateral Assets held in the Margin Account. The Issuer's ability to pay to the holder of an ETP Security any amounts due in respect of such ETP Security is entirely dependent on the liquidation of the Collateral Assets.

If, following the liquidation in full of the Collateral Assets relating to a Series of ETP Securities there are any outstanding claims against the Issuer in respect of such Series of ETP Securities (other than claims of the Margin Loan Provider), then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.

Taxation and no gross-up

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

Transfers of Collateral Assets, and payments made to the Issuer under the Margin Account Agreement in relation to a Series of ETP Securities may be subject to charges, withholding or deduction for, or on account of, Taxes. In such circumstances the sums available to the Issuer (and/or the Trustee) to pay the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount may not be sufficient to satisfy in full the claims of the ETP Securityholders and all creditors whose claims rank in priority to those of the ETP Securityholders.

Fees

The fees payable by ETP Securityholders comprise the following components: (1) the Arranger Fee; and (2) the Daily Margin Interest Rate (in the case of Leveraged Exposures where the Reference Assets are Physical Assets); or Securities Lending Fees (in the case of Short Exposures where the Reference Assets are Physical Assets); and/or Brokerage Fees (in the case of ETP Securities where the Reference Assets are futures contracts).

The “**Arranger Fee**” is charged daily at a rate of 0.75% per annum of the ETP Security Value of the ETP Securities held by an ETP Securityholder.

The “**Daily Margin Interest Rate**” is calculated by the Determination Agent for each ETP Security based on a designated benchmark rate (the “**Benchmark Rate**”) plus one percent (1%), subject to adjustment in accordance with the terms of the Margin Account Agreement. Investors should therefore note that such daily margin interest rate is subject to change.

Internationally recognized benchmarks on overnight deposits are used as the basis for determining the Benchmark Rates. For each ETP Security, the applicable Benchmark Rate is determined by the primary currency of the Reference Assets for the relevant Series of ETP Securities, for example:

Primary Currency of Reference Assets	Benchmark Rate
Reference Assets with USD primary currency	Fed Funds Effective (Overnight Rate)
Reference Assets with EUR primary currency	EONIA (Euro Overnight Index Average)
Reference Assets with GBP primary currency	GBP LIBOR (Overnight Rate)

For example, if an investor purchases USD 10,000 of Leverage Shares 2x Apple ETP Securities and holds such securities for one day, the following fees would be applicable (assuming a Benchmark Rate of 0.91%):

Arranger Fee Cost	$USD\ 10,000 \times (0.75\% \times (1/360)) = USD\ 0.21$
Example Daily Margin Interest Rate Cost	$USD\ 10,000 \times ((0.91\% + 1\%) \times (1/360)) = USD\ 0.53$
Total Cost	$USD\ 0.21 + USD\ 0.53 = \underline{USD\ 0.74\ per\ day}$

The Total Cost of USD 0.72 in the example above is not a static figure, because the Daily Margin Interest Rate will change as the value of the Benchmark Rate changes over time. The 0.91% rate referenced in the above example is not a static rate, but is intended to illustrate what the Daily Margin Interest Rate would be with a Benchmark Rate of 0.91%.

Potential investors in the ETP Securities should be aware that the Daily Margin Interest Rate could change in the future as a result of any change in the Benchmark Rate and/or a change in the one percent (1%) financing rate.

The “**Securities Lending Fee**” is the cost of borrowing the Reference Assets from the Margin Loan Provider pursuant to a securities lending agreement entered into between the Issuer and the Margin Loan Provider. The current Securities Lending Fee will be published on the Issuer’s website on a daily basis at www.leverageshares.com.

The “**Brokerage Fees**” are all applicable brokerage and commission fees payable by the Issuer, which may vary from time to time.

Return on Collateral

In connection with Short Exposures and Indices or Investment Strategies where the Reference Assets are futures contracts, the ETP Security Value will include a return on the fully collateralised cash position (the

“Return on Collateral”). The Return on Collateral will be calculated by the Determination Agent for each ETP Security based on the applicable Benchmark Rate (minus 1%), subject to adjustment in accordance with the terms of the Margin Account Agreement. Investors should therefore note that such daily Return on Collateral is subject to change.

DESCRIPTION OF THE REFERENCE ASSETS

The information in this section of the Base Prospectus has been extracted from public information, including the websites set out below and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The websites set out below do not form part of this Base Prospectus. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer, the Margin Loan Provider, Authorised Participants, the Trustee, the Agents, the Determination Agent, the Broker Dealer of Record or any other person that any information contained therein is correct at any time subsequent to the date of this Base Prospectus.

Each Series of ETP Securities is intended to either track a relevant Index or pursue an Investment Strategy which provides exposure to the performance of a Reference Asset.

The Issuer may issue Series of ETP Securities in respect of Reference Assets falling within the following categories:

- (A) equities securities;
- (B) debt securities;
- (C) fixed income securities;
- (D) exchange traded funds; and
- (E) futures contracts

in each case, as described below.

The Reference Asset in respect of a Series of ETP Securities, the relevant Leverage Factor will be specified in the applicable Final Terms. Prospective purchasers of the ETP Securities should make their own independent investigations and enquiries into the Reference Asset and the obligor(s) in respect thereof.

Investors should note that the Issuer anticipates that the Base Prospectus and other Programme Documents may be amended from time to time to permit the Issuer to issue series of ETP Securities backed by other Reference Assets other than as described herein. In addition the Programme may be amended in the future to facilitate the issue of actively managed ETP Securities or ETP Securities which are not linked to Indices or Investment Strategies.

(i) Equity Securities

The Issuer may issue a Series of ETP Securities designating any of the equity securities listed in the table below as the Reference Assets. The Index or Investment Strategy, as applicable, may provide a Leveraged Exposure or Short Exposure to the performance of the Reference Assets. In addition to any leverage embedded in the Index or Investment Strategy, leverage may be embedded directly in the ETP Securities. The cumulative leverage provided by each Series of ETP Securities will be reflected in the Leverage Factor for that Series.

Name of issuer of Reference Asset	Address of issuer of Reference Asset	Country of Incorporation	Ticker of Reference Asset	Regulated market or equivalent third country market on which the Reference Asset is admitted to trading	General description and nature of business of issuer of the Reference Asset
Advanced Micro Devices, Inc.	2485 Augustine Drive Santa Clara, CA 95054 United States	United States of America	AMD	New York Stock Exchange https://www.nyse.com/quote/XNYS:AMD	Advanced Micro Devices, Inc. manufactures semiconductor products. The company manufactures products that include microprocessors, embedded microprocessors, chipsets, graphics, video and multimedia products. Advanced Micro Devices, Inc. offers its products on a global basis. Further information on the issuer of the Reference Asset can be found at http://ir.amd.com/
Alibaba Group Holding Ltd.	699 Wang Shang Road Binjiang District Hangzhou, 310052 China	China	BABA	New York Stock Exchange https://www.nyse.com/quote/XNYS:BABA	Alibaba Group Holding Limited operates as a holding company. The Company provides internet infrastructure, e-commerce, online financial, and internet content services through its subsidiaries. Alibaba Group Holding offers its products and services worldwide. Further information on the issuer of the Reference Asset can be found at https://www.alibabagroup.com/en/ir/home
Alphabet Inc.	1600 Amphitheatre Parkway, Mountain View, State of California 94043	United States of America	GOOG	New York Stock Exchange https://www.nyse.com/quote/XNYS:GOOG	Alphabet Inc. is a holding company which provides online advertising services in the United States, the United Kingdom and rest of the world. The company offers performance and brand advertising services. It operates through Google and Other Bets segments. Further information on the issuer of the Reference Asset can be found at https://abc.xyz/
Amazon.com Inc.	410 Terry Avenue North, Seattle, State of Washington 98109	United States of America	AMZN	New York Stock Exchange https://www.nyse.com/quote/XNYS:AMZN	Amazon.com, Inc. engages in the retail sale of consumer products and subscriptions in North America and internationally. It operates through the North America, International, and Amazon Web Services (AWS) segments. The company sells merchandise and content purchased for resale from vendors, as well as those offered by third-party sellers through retail websites. It also manufactures

					<p>and sells electronic devices, including kindle e-readers and fire tablets.</p> <p>Further information on the issuer of the Reference Asset can be found at https://ir.aboutamazon.com/</p>
Apple Inc.	One Infinite Loop, Cupertino, State of California 95014	United States of America	AAPL	New York Stock Exchange https://www.nyse.com/quote/XNYS:AAPL	<p>Apple Inc. is a technology company that engages in the design, manufacture and marketing of mobile communication and media devices, personal computers and portable music players, and sells a range of related software, services and accessories. It operates through its Americas, Europe, Greater China, Japan and the Rest of Asia Pacific segments. The company sells its products through Apple retail stores, online stores and through third-party retailers. It also sells and markets digital content through the iTunes Store, mobile App Store, Mac App Store and through other internet services.</p> <p>Further information on the issuer of the Reference Asset can be found at http://investor.apple.com/</p>
Citigroup Inc.	388 Greenwich Street, New York, State of New York 10013	United States of America	C	New York Stock Exchange https://www.nyse.com/quote/XNYS:C	<p>Citigroup Inc. is a holding company for businesses that provide consumers, corporations, governments and institutions with a range of financial products and services. It operates through two segments: Citicorp and Citi Holdings. Citicorp is the company's global bank and offers financial products and services to consumers. As of December 31, 2016, Citicorp was present in 97 jurisdictions and offered financial services in over 160 jurisdictions.</p> <p>Further information on the issuer of the Reference Asset can be found at http://www.citigroup.com/citi/investor/overview.html</p>
Facebook Inc.	1601 Willow Road, Menlo Park, State of California 94025-1452	United States of America	FB	New York Stock Exchange https://www.nyse.com/quote/XNYS:FB	<p>Facebook Inc. is a technology company that focuses on connecting people through social media. Its products include Facebook, Messenger, WhatsApp, Instagram and Oculus. Its products provide a platform for people to learn about what is going on in the world and enables them to share opinions, ideas and visual media with friends or the</p>

					<p>public. The company also sells advertising placements across its products to marketers.</p> <p>Further information on the issuer of the Reference Asset can be found at https://investor.fb.com/home/default.aspx</p>
Goldman Sachs Group Inc.	200 West Street, New York, State of New York 10282	United States of America	GS	New York Stock Exchange https://www.nyse.com/quote/XNYS:GS	<p>The Goldman Sachs Group Inc. is a global investment banking, securities and investment management firm that provides a wide range of financial services to a client base that includes corporations, financial institutions, governments and individuals. The company operates through its Investment Banking, Institutional Client Services, Investing & Lending and Investment Management segments.</p> <p>Further information on the issuer of the Reference Asset can be found at http://www.goldmansachs.com/investor-relations/</p>
JPMorgan Chase & Co.	270 Park Ave, 38 th Floor, New York, State of New York 10017-2014	United States of America	JPM	New York Stock Exchange https://www.nyse.com/quote/XNYS:JPM	<p>JPMorgan Chase & Co is a holding company for businesses that are engaged in investment banking, financial services for consumers and small businesses, commercial banking, financial transaction processing and asset management. The company operates through its Consumer & Community Banking, Corporate & Investment Bank, Commercial Banking and Asset & Wealth Management segments. Its principal bank subsidiaries include JP Morgan Chase Bank and National Association (JPMorgan Chase Bank N.A.), its principal nonbank subsidiary is J.P. Morgan Securities LLC.</p> <p>Further information on the issuer of the Reference Asset can be found at https://www.jpmorganchase.com/corporate/investor-relations/investor-relations.htm</p>
Micron Technology, Inc.	8000 South Federal Way PO Box 6 Boise, ID 83716 United States	United States of America	MU	New York Stock Exchange https://www.nyse.com/quote/XNYS:MU	<p>Micron Technology, Inc., through its subsidiaries, manufactures and markets dynamic random access memory chips (DRAMs), static random access memory chips (SRAMs), flash memory, semiconductor components, and memory modules.</p>

					Further information on the issuer of the Reference Asset can be found at https://www.micron.com/
Microsoft Corp	One Microsoft Way, Redmond, State of Washington 98052-6399	United States of America	MSFT	New York Stock Exchange https://www.nyse.com/quote/XNYS:MSFT	Microsoft Corporation is a technology company that develops, licenses, and supports a range of software products, services and devices. It operates through its Productivity and Businesses Processes, Intelligent Cloud and More Personal Computing segments. The Company's products include operating systems, server applications, video games and certification of computer system integrators and developers. It also designs, manufactures and sells directly, and through third parties, devices, including personal computers, tablets, gaming and entertainment consoles, mobile phones and other related accessories. The company provides a variety of services, including cloud-based solutions and support and consulting services. Further information on the issuer of the Reference Asset can be found at https://www.microsoft.com/en-us/investor/
Visa Inc.	900 Metro Center Blvd., Foster City, State of California 94404	United States of America	V	New York Stock Exchange https://www.nyse.com/quote/XNYS:V	Visa Inc. is a multinational financial services company that facilitates electronic transfers throughout the world. Visa is the world's second largest card payment organization. Further information on the issuer of the Reference Asset can be found at http://investor.visa.com/
Netflix, Inc.	100 Winchester Circle, Los Gatos, State of California 95032	United States of America	NFLX	New York Stock Exchange https://www.nyse.com/quote/XNYS:NFLX	Netflix is a multinational entertainment company specializing in providing streaming media and video-on-demand online. Netflix is also involved directly in film and television production. Netflix has more than 100 million subscribers worldwide. Further information on the issuer of the Reference Asset can be found at http://ir.netflix.com/
NVIDIA Corporation	2701 San Tomas Expressway, Santa Clara, State of California, 95050	United States of America	NVDA	New York Stock Exchange https://www.nyse.com/quote/XNYS:NVDA	NVIDIA is a technology company that designs graphics processing units (GPUs) for the gaming and professional markets, as well as system on a chip units (SOCs) for the mobile computing and automotive market.

					Further information on the issuer of the Reference Asset can be found at http://investor.nvidia.com/
Salesforce.com, Inc.	415 Mission St., San Francisco, State of California, 94105	United States of America	CRM	New York Stock Exchange https://www.nyse.com/quote/XNYS:CRM	Salesforce.com is a cloud computing company that develops customer relationship management (CRM) software as well as commercial applications of social networking. Further information on the issuer of the Reference Asset can be found at http://investor.salesforce.com/about-us/investor/overview/default.aspx
Tesla Inc.	3500 Deer Creek Road Palo Alto, CA 94304 United States	United States of America	TSLA	New York Stock Exchange https://www.nyse.com/quote/XNYS:TSLA	Tesla Inc. designs, manufactures, and sells high-performance electric vehicles and electric vehicle powertrain components. Tesla owns its sales and service network and sells electric powertrain components to other automobile manufacturers. Tesla serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://www.tesla.com/
Twitter Inc.	1355 Market Street Suite 900 San Francisco, CA 94103 United States	United States of America	TWTR	New York Stock Exchange https://www.nyse.com/quote/XNYS:TWTR	Twitter, Inc. provides an online social networking and microblogging service. Twitter offers users the ability to follow other users activity, read, and post tweets. Twitter serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://investor.twitterinc.com/home/default.aspx
Uber Technologies Inc.	1455 Market Street Suite 400 San Francisco, CA 94103 United States	United States of America	UBER	New York Stock Exchange https://www.nyse.com/quote/XNYS:UBER	Uber Technologies, Inc. provides ride hailing services. The company develops applications for road transportation, navigation, ride sharing, and payment processing solutions. Uber Technologies serves customers worldwide. Further information on the issuer of the Reference Asset can be found at https://investor.uber.com/home/default.aspx

The Issuer may from time to time issue other ETP Securities which track a Reference Asset with the following characteristics:

Issuer of Reference Asset	Any corporate whose equity securities are a constituent part of any of the S&P 500 index, the FTSE 250 index, the NASDAQ 100 index or the EuroStoxx 600 index as at the Issue Date of the first Tranche of ETP Securities of such Series.
Admission to trading	Admitted to trading on a “regulated market” or an “equivalent third country market” within the meaning of the Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation
Legal Nature	Equity security.

(ii) **Debt Securities**

As at the date of this Base Prospectus, there are no debt securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “Supplements”, with details of debt securities that may be designated as Reference Assets.

(iii) **Fixed Income Securities**

As at the date of this Base Prospectus, there are no fixed income securities which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “Supplements”, with details of fixed income securities that may be designated as Reference Assets.

(iv) **Exchange Traded Funds**

As at the date of this Base Prospectus, there are no exchange traded funds which may be designated as Reference Assets. However, the Issuer may prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “Supplements”, with details of exchange traded funds that may be designated as Reference Assets.

(v) **Futures Contracts**

A futures contract is a standardised contract traded on, or subject to the rules of, an exchange that calls for the future delivery of a specified quantity and type of a particular underlying asset at a specified time and place or alternatively may call for cash settlement. Futures contracts are traded on a wide variety of underlying assets, including bonds, interest rates, agricultural products, stock indexes, currencies, energy, metals, economic indicators and statistical measures. The notional size and calendar term of futures contracts on a particular underlying asset are identical and are not subject to any negotiation, other than with respect to price and the number of contracts traded between the buyer and seller.

Certain futures contracts settle in cash, reflecting the difference between the contract purchase/sale price and the contract settlement price. The cash settlement mechanism avoids the potential for either side to have to deliver the underlying asset. For other futures contracts, the contractual obligations of a buyer or seller may generally be satisfied by taking or making physical delivery of the underlying asset or by making an offsetting sale or purchase of an identical futures contract on the

same or linked exchange before the designated date of delivery. The difference between the price at which the futures contract is purchased or sold and the price paid for the offsetting sale or purchase, after allowance for brokerage commissions, constitutes the profit or loss to the trader.

As at the date of this Base Prospectus, the only futures contract that may be designated as a Reference Asset is described below.

Name of Reference Asset	Exchange	Ticker	General description of the Reference Asset	Contract Maturities and Roll Schedule	Margin Requirements
NYSE FANG + Index Futures Contracts	ICE Futures US https://www.theice.com/products/66380320	FNG	<p>NYSE FANG+ Index Futures contracts (the “FANG Futures”) provide exposure to the NYSE FANG+ Index (the “FANG Index”). The FANG Index is an equal-dollar weighted index designed to represent a segment of the technology and consumer discretionary sectors consisting of highly-traded growth stocks of technology and tech-enabled companies such as Facebook, Apple, Amazon, Netflix, and Alphabet’s Google.</p> <p>The FANG Index methodology is available at: https://www.theice.com/publicdocs/data/NYSE_FANGplus_Index_Methodology.pdf.</p> <p>ICE Data Indices, LLC is the index sponsor and the index administrator of the FANG Index</p>	<p>4 contracts expiring on the third Friday of the expiration month: March, June, September and December. Maturities available at: https://www.theice.com/products/66380320/NYSE-FANG-Index-Future/expiry</p>	<p>The margin requirements for the FANG Futures are available on the website of the FANG Index Sponsor at https://www.theice.com/margins.</p>

Margin Requirements

“Initial” or “original” margin is the minimum amount of funds that parties to a futures contract must deposit with his commodity broker in order to establish an open position. Maintenance margin is the amount (generally less than initial margin) to which a party’s account may decline before he must deliver additional margin so as to maintain open positions. A margin deposit is like a cash performance bond. It helps assure the party’s performance of the futures contracts it purchases or sells.

The margin payments to be made on behalf of the Issuer in respect of the futures contracts will be managed by the Margin Loan Provider and such margin payments will be paid from the balance of the Margin Account. The Portfolio Administrator will monitor the balance of the Margin Account to ensure that it is sufficient to satisfy any margin payments that are required from time to time.

Rolling Forward of Futures Contracts

The vast majority of futures trades made by speculators are offset before the final expiration of the futures contracts. Alternatively, some traders might allow their positions to expire. A small group of investors, however, mainly institutions such as pension funds, endowments and money managers, might wish to extend their positions beyond the contract expiration. The strategy that allows them to extend a futures contract from one expiration to the next is referred to as rolling the futures contract (or rolling forward). A roll forward involves two elements, firstly offsetting the current position and secondly establishing a new position in the next contract

period. One transaction that effects this strategy is called a calendar spread which guarantees that the two elements will be filled at the same time or not at all. This eliminates the possibility that the market moves in the interim between the elements. The Portfolio Administrator will be responsible for managing the rolling forward of futures contracts by the Issuer.

SUPPLEMENTS

The Issuer shall prepare a supplement (each a "**Supplement**") to this Base Prospectus or publish a new base prospectus whenever required by the guidelines of any stock exchange on which ETP Securities are listed or, pursuant to Article 23 of the Prospectus Regulation if there is a significant new factor, material mistake or material inaccuracy affecting any matter contained in this Base Prospectus, the inclusion of information in respect of which would have been so required if it had arisen when this Base Prospectus was prepared and/or pursuant to Article 23 of the Prospectus Regulation.

PURPOSE OF FINAL TERMS

In this section the expression “necessary information” means, in relation to any Tranche of ETP Securities of any Series, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the ETP Securities. In relation to any ETP Securities which may be issued under the Programme, the Issuer has endeavoured to include in this Base Prospectus all of the necessary information except for information relating to such ETP Securities which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of ETP Securities.

Any information relating to any ETP Securities which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of ETP Securities will be contained in the relevant Final Terms.

For a Tranche of ETP Securities which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, supplement this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of ETP Securities which is the subject of Final Terms are the Conditions as completed by the relevant Final Terms.

TERMS AND CONDITIONS OF THE ETP SECURITIES

The following is the text of the terms and conditions which, subject to completion by the Final Terms relating to a particular Series or Tranche of ETP Securities, will be applicable to the ETP Securities of such Series or Tranche and which will be attached to or endorsed on such ETP Securities in definitive form (or, in the case of Registered Securities, on the Individual Certificates relating to such Registered Securities). Unless the context requires otherwise, references in these terms and conditions to "ETP Securities" are to the ETP Securities of one Series only, not to all ETP Securities which may be issued under the Programme from time to time.

The ETP Securities are issued under the collateralised exchange traded securities programme of the Issuer (the "**Programme**").

In respect of a Series of ETP Securities, the ETP Securities of such Series will be constituted by (i) a supplemental trust deed dated the Issue Date of the first Tranche of ETP Securities of such Series and made between, among others, the Issuer and Apex Corporate Trustees (UK) Limited (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)), as trustee for the holders of the ETP Securities and the other persons specified therein (as amended, supplemented, novated and/or replaced from time to time, the "**Supplemental Trust Deed**"; and (ii) an amended and restated master trust deed originally dated the Programme Effective Date and as most recently amended and restated on 5 February 2020 and made between the Issuer and the Trustee (as further amended, supplemented, novated and/or replaced from time to time, the "**Master Trust Deed**"). The Master Trust Deed and the Supplemental Trust Deed in respect of each Series of ETP Securities are referred to together as the "**Trust Deed**". These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

The obligations of the Issuer under the ETP Securities of a particular Series are secured by the Security Documents in respect of such Series.

The following margin account agreements have been or will be entered into with respect to the Programme. The Final Terms shall specify whether the First Margin Account Agreement (as defined below) or the Second Margin Account Agreement (as defined below) applies with respect to a Series of ETP Securities. The defined term "**Margin Account Agreement**" herein shall mean with the First Margin Account Agreement or the Second Margin Account Agreement, as applicable.

- (i) The Issuer has entered into a side letter dated 5 December 2017 with the Margin Loan Provider, the Portfolio Administrator, the Custodian and the Trustee (the "**Side Letter**"), which amends and supplements the terms of the customer agreement dated 5 December 2017 between the Issuer, the Margin Loan Provider, the Portfolio Administrator and the Custodian (the "**Customer Agreement**"). Taken together, the Customer Agreement and the Side Letter constitute the "**First Margin Account Agreement**". The First Margin Account Agreement is governed under the law of England and Wales. The First Margin Account Agreement shall take effect as a separate and independent agreement in relation to each Series of ETP Securities issued under the Programme in respect of which Interactive Brokers (UK) Limited and Interactive Brokers LLC are appointed as the Portfolio Administrator, the Margin Loan Provider and the Custodian respectively.

The First Margin Account Agreement applies in relation to each of the Series of ETP Securities in respect of which Interactive Brokers (UK) Limited and Interactive Brokers LLC enter into a confirmation of appointment in the form set out in Annex 2 to the Side Letter.

- (ii) The Issuer has or will enter into a New York law governed customer agreement between the Issuer and the Margin Loan Provider dated on or before the Series Issue Date of the first Series of ETP Securities to be issued to which the Second Margin Account Agreement is specified in the relevant Final Terms to be applicable (the "**Second Margin Account Agreement**").

The Second Margin Account Agreement sets out, amongst other things, the terms on which the Margin Loan Provider will provide certain securities accounts, margin accounts, collateral accounts, margin loans and securities loans to the Issuer in respect of each Series of ETP Securities to which it is applicable.

The Margin Loan Provider does not guarantee payment by the Issuer to the ETP Securityholders of amounts due in respect of the ETP Securities, and no ETP Securityholder will have any claim against any Margin Loan Provider in respect of amounts due in respect of any ETP Securities.

The following portfolio administration agreements have been entered into with respect to the Programme. The Final Terms shall specify which portfolio administration agreement applies with respect to a Series of ETP Securities. The defined term "**Portfolio Administration Agreement**" herein shall mean either the First Portfolio Administration Agreement (as defined below) or the Second Portfolio Administration Agreement (as defined below), as applicable.

- (i) The Issuer, the Trustee, the Custodian and Interactive Brokers (UK) Limited have entered into an Irish law governed amended and restated portfolio administration agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (the "**First Portfolio Administration Agreement**").

Pursuant to the terms of the First Portfolio Administration Agreement, for each Series of ETP Securities to which the First Portfolio Administration Agreement is applicable, the net proceeds of issuance of such Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of such Series, will be deposited with the Custodian, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount (as defined below) shall be invested in the Reference Assets of the relevant Index of such Series of ETP Securities, which shall be held by the Custodian on behalf of the Issuer in the Margin Account.

The "**Leveraged Investment Amount**" will be the amount of margin that the Margin Loan Provider will extend by way of credit to the Issuer in the Relevant Currency equal to the product of (i) the difference between the Leverage Factor and one and (ii) the net proceeds of the issuance.

- (ii) On 5 February 2020 the Issuer, the Trustee and GWM Limited entered into an Irish law governed portfolio administration agreement (the "**Second Portfolio Administration Agreement**").

Pursuant to the terms of the Second Portfolio Administration Agreement, for each Series of ETP Securities to which Second Portfolio Administration Agreement is applicable, the net proceeds of issuance of such Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of such Series, will be paid to the Margin Loan Provider, on behalf of the Issuer, and invested as follows:

- in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.
- in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor; and

- in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

An amended and restated agency agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (as further amended, supplemented novated and/or replaced from time to time, the "**Agency Agreement**") has been entered into in relation to the ETP Securities between the Issuer, the Trustee, the Issuing and Paying Agent (as defined below), the CREST Settlement Agent (as defined below), the Registrar (as defined below) and the Arranger (as defined below).

An amended and restated operating procedures agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (as further amended, supplemented, novated and/or replaced from time to time, the "**Operating Procedures Agreement**") has been entered into in order to establish certain operation procedures in relation to ETP Securities issued under the Programme between, among others, the Issuer, the Initial Margin Loan Provider (as defined below) and the Initial Authorised Participant (as defined below), to which each Additional Authorised Participant has acceded.

A broker dealer of record agreement dated 5 February 2020 (as amended, supplemented, novated and/or replaced from time to time, the "**Broker Dealer of Record Agreement**") has been entered into between the Issuer and the Broker Dealer of Record (as defined below) pursuant to which the Broker Dealer of Record has agreed to provide certain broker dealer related services and support for the Issuer.

An amended and restated services agreement originally dated 2 February 2018 and as amended and restated on 5 February 2020 (as further amended, supplemented, novated and/or replaced from time to time, the "**Services Agreement**") has been entered into between the Issuer and the Arranger (as defined below) pursuant to which the Arranger has agreed to provide certain management, administration and arrangement services to the Issuer and to discharge certain fees, costs and expenses incurred by the Issuer in respect of the Programme and the ETP Securities.

An amended and restated agreement for the provision of ETP registration services originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (as further amended, supplemented, novated and/or replaced from time to time, the "**Registrar Agreement**") has been entered into between the Issuer, the Registrar (as defined below), the Arranger (as defined below), the Issuing and Paying Agent (as defined below) and the CREST Settlement Agent (as defined below) pursuant to which the Registrar has agreed to provide certain registrar services for the Issuer.

An amended and restated determination agency agreement originally dated 30 August 2019 and as amended and restated on 5 February 2020 (as further amended, supplemented, novated and/or replaced from time to time, the "**Determination Agency Agreement**") has been entered into between the Issuer, the Trustee, the Arranger (as defined below) and the Determination Agent (as defined below) pursuant to which the Determination Agent has agreed to provide certain calculation services for the Issuer.

The ETP Securityholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the Margin Account Agreement, the Portfolio Administration Agreement, the Agency Agreement, the Operating Procedures Agreement, the Broker Dealer of Record Agreement, the Services Agreement, the Registrar Agreement, the Master Definitions Schedule (as defined below), and each of the other Programme Documents (as defined below) which are applicable to them and to have notice of each set of Final Terms (as defined below) issued in respect of a Series or Tranche of ETP Securities held by such ETP Securityholders.

The terms and conditions of a Series of ETP Securities will be the conditions set out below as completed by the Final Terms applicable to such Series. References herein to the "**Conditions**" of the ETP Securities are to these terms and conditions as so completed by the Final Terms applicable to the ETP Securities.

1. **Definitions**

1.1 **Definitions**

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

"Additional Authorised Participant" means any Eligible Authorised Participant (other than the Initial Authorised Participant) that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the Operating Procedures Agreement.

"Additional Security Document" means, any security document relating to the ETP Securities designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time but, for the avoidance of doubt, not including the Trust Deed or the Margin Account Security Agreement.

"Adjustment Event" means an Index Cancellation, an Index Modification, an Index Disruption or an Investment Strategy Modification.

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

"Agents" means any agent(s) as may be appointed from time to time in relation to the ETP Securities under the Programme Documents or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the ETP Securities, as applicable, and any successor or replacement and **"Agent"** means any of them.

"Ancillary Assets" means sovereign debt in the currency of denomination of the ETP Securities with an original maturity of less than one month which is rated at least A-1 by Standard & Poor's Ratings Services, and/or P-1 by Moody's Investors Service Ltd. and/or F1 by Fitch Ratings Limited.

"Arranger" means Leverage Shares Management Company Limited.

"Arranger Fee" means a fee charged by the Arranger at a rate of 0.75% per annum of the ETP Security Value of the ETP Securities held by an ETP Securityholder, as modified by the Arranger from time to time.

"Authorised Participant" means the Initial Authorised Participant and any Additional Authorised Participant.

"Authorised Participant Agreement" means, in respect of an Authorised Participant, the authorised participant agreement (as amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and such Authorised Participant.

"Bearer Securities" has the meaning given to it in Condition 2.

"Broker Dealer of Record" means GWM Limited or any successor or replacement thereto or any other entity appointed as broker dealer of record in accordance with the terms of the Broker Dealer of Record Agreement.

"Central Bank" means the Central Bank of Ireland in its capacity as the competent authority in Ireland under the Prospectus Regulation.

"CGN" means a Global Bearer Security in classic global note form.

"Clearstream, Luxembourg" means Clearstream Banking, S.A., Luxembourg and any successor thereto.

"Collateral Assets" means:

- (A) in the case of Leveraged Exposures and Normal Exposures where the Reference Assets are Physical Assets:
 - (i) the Reference Assets of the applicable Index or Investment Strategy for such Series of ETP Physical Assets;
 - (ii) Ancillary Assets; and
 - (iii) any cash;
- (B) in the case of Short Exposures where the Reference Assets are Physical Assets:
 - (i) the mark to market value of securities loans;
 - (ii) the Ancillary Assets; and
 - (iii) any cash; and
- (C) in the case of ETP Securities where the Reference Assets are futures contracts:
 - (i) the mark to market value of the futures contract;
 - (ii) the Ancillary Assets; and
 - (iii) any cash,

in each case as held in the Margin Account.

"Common Safekeeper" means, in relation to a Series of ETP Securities issued in NGN or NSS form, the common safekeeper for Euroclear or Clearstream, Luxembourg appointed in respect of such Series.

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

"CREST Business Day" means for any matter relating solely to settlement in euro, a day on which (a) the EUI systems are operational and (b) the TARGET2 System is open.

For any matter relating solely to settlement in US dollars, a 'business day' is a day on which (a) the EUI systems are operational (other than a Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England or on which banking transactions in England are suspended under section 2 of the Banking and Financial Dealings Act 1971); and (b) banks are generally open for business in New York.

For all other purposes, a 'business day' is a day on which the EUI systems are operational other than a Saturday, Sunday, Christmas Day, Good Friday or a day which is a bank holiday in England or on which banking transactions in England are suspended under section 2 of the Banking and Financial Dealings Act 1971.

"CREST Settlement Agent" means Link Market Services Trustees Limited.

"Currency Business Day" means a day on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the Relevant Currency or, in the case of euros, a city in which banks in general have access to the TARGET2 System.

"Custodian" means, in respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable, Interactive Brokers LLC or any successor or replacement thereto or any other entity appointed as custodian in accordance with the terms of the First Portfolio Administration Agreement.

"Definitive Securities" means Bearer Securities in definitive form and includes any replacement ETP Security issued pursuant to these Conditions.

"Denomination" means, in respect of a Series of ETP Securities, an amount equal to its Principal Amount.

"Determination Agent" means Calculation Agent Services LLC and any successor or replacement thereto or any other entity appointed as determination agent in accordance with the terms of the Determination Agency Agreement.

"Determination Agent Breach" has the meaning given to it in Condition 10.6(B).

"Disrupted Day" means:

- (A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event or a Severe Disruption Event has occurred; and
- (B) in respect of Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event or a Severe Disruption Event has occurred; and
- (C) in respect of any Series of ETP Securities which pursue an Investment Strategy, for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) the Related Exchange fails to open for trading during its regular trading session; or (ii) a Market Disruption Event or a Severe Disruption Event has occurred.

"Disruption Event", in respect of a Series of ETP Securities, means any event that causes a Valuation Date in respect of that Series to be a Disrupted Day.

"Disruption Redemption Event" has the meaning given to it in Condition 9.3(C).

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

"Early Closure" means the closure on any Exchange Business Day of the Exchange or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on the Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"EEA" means the European Economic Area.

"Eligible Authorised Participant" means any entity that meets the requirements of the Operating Procedures Agreement.

"English Law Margin Account Security Agreement" means the English law governed margin account security agreement entered into between the Issuer and the Trustee on 5 February 2020 with respect to the First Margin Account Agreement.

"EONIA" means the interest rate at which banks of sound financial standing in the European Union and European Free Trade Area countries lend funds in the interbank money market in euro as published by the European Money Markets Institute and appearing on the Bloomberg page EONIA Index or any substituted publication and/or page therefor in respect of that day or the immediately preceding day for which it had a value, or, if not available, ascertained from any other source as the Margin Loan Provider may deem appropriate.

"ETP Securities" means the Series of ETP Securities to which these Conditions relates or, as the context may require, any or all securities issued by the Issuer under the Programme.

"ETP Security Value" has the meaning given to it in Condition 5.

"ETP Securityholder" and **"holder"** mean the bearer of any Bearer Security or the person in whose name a Registered Security or an Uncertificated Registered Security is registered (as the case may be).

"ETP Securityholder Notice and Direction" has the meaning given to it in Condition 8.7.

"EUI" means Euroclear UK & Ireland Limited (formerly known as CRESTCO Limited) incorporated in England and Wales under number 2878738.

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

"Event of Default" has the meaning given to it in Condition 12.

"Event of Default Redemption Notice" has the meaning given to it in Condition 12.

"Exchange" means the exchange specified in the Final Terms.

"Exchange Business Day" means:

- (A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any Scheduled Trading Day on which the Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time; and
- (B) in respect of any Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which (i) in the case of Index-linked Series, the Index Sponsor publishes the level of the Index, and (ii) the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time; and
- (C) in respect of any Series of ETP Securities which pursue an Investment Strategy for which the Final Terms specify that 'Multiple Exchange' is applicable, any Scheduled Trading Day on which the Related Exchange is open for trading during its regular trading session, notwithstanding the Related Exchange closing prior to its Scheduled Closing Time.

"Exchange Date" has the meaning given to it in Condition 3.1.

"Exchange Disruption" means any event (other than Early Closure) that disrupts or impairs (as determined by the Arranger) the ability of market participants in general to effect transactions in, or obtain market values for: (i) the Reference Asset on the Exchange; or (ii) futures or options contracts relating to the applicable Series of ETP Securities on the Related Exchange.

"Exchangeable Bearer Securities" has the meaning given to it in Condition 2.

"Extraordinary Resolution" means a resolution passed at a meeting duly convened and held in accordance with schedule 7 of the Master Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the ETP Securities who for the time being are entitled to receive notice of a meeting held in accordance with the Master Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such ETP Securityholders duly convened and held in accordance with the relevant provisions of the Master Trust Deed.

"Fed Funds Effective Rate" means, in respect of a day, the rate of interest (expressed as an annual rate) as published in Federal Reserve Statistical Release H.15 (519) or Reuters Screen FEDFUNDS 1 Page or Bloomberg Page FEDL01 INDEX or any substituted publication therefor, charged for federal funds (dollars in immediately available funds borrowed by banks on an overnight unsecured basis) on that day or the immediately preceding day for which it had a value, or, if not available, ascertained from any other source as the Margin Loan Provider may deem appropriate.

"Fees" means the Arranger Fees and any other fees incurred by the Issuer in respect of a Series of ETP Securities.

"Final Redemption Amount" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

- (A) the Principal Protection Amount of an ETP Security; and
- (B) the Pro-rata Liquidation.

"Final Redemption Date" means for each Series, the final redemption date specified in the Final Terms for such Series.

"Final Redemption Settlement Date" means the day that falls three Currency Business Days after the Final Redemption Date.

"Final Terms" means the final terms specifying the relevant issue details of the ETP Securities.

"First New York Law Margin Account Security Agreement" means the New York law governed margin account security agreement entered into between the Issuer and the Trustee on 5 February 2020 with respect to the First Margin Account Agreement.

"Funding and Brokerage Fees" means, in respect of a Series, all applicable fees including margin interest, securities lending fees, brokerage fees and costs of transaction taxes on the sale or purchase of Reference Assets (where relevant).

"Further Tranche" means any Tranche of a Series of ETP Securities issued after the Series Issue Date in accordance with Condition 16.

"GBP LIBOR" means, in respect of a day, the rate for deposits in pounds sterling for a period of 12 months which appears on Bloomberg Page BP0012M INDEX for that day, or, if not available, ascertained from any other source as the Margin Loan Provider may deem appropriate

"Global Bearer Security" means the ETP Securities in bearer form represented by a global security.

"Global Registered Certificate" means a global certificate representing ETP Securities in registered form.

"Global Security" means a Global Bearer Security or a Global Registered Certificate.

"Index" means the index specified for the ETP Securities in the Final Terms, or any Successor Index.

"Index Business Day" means, in respect of an Index, any day on which the Index Sponsor in respect of such Index is scheduled to publish the level of the Index.

"Index Cancellation" means in respect of an Index, the Index Sponsor in respect of that Index permanently cancels such Index and no Successor Index is designated.

"Index Disruption" means in respect of an Index on any Valuation Date, the Index Sponsor fails to calculate and announce such Index.

"Index Level" means, in respect of an Index on any Valuation Date, the level of the Index published by the Index Sponsor.

"Index Modification" means in respect of an Index, the Index Sponsor announces that it shall make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalisation and other routine events).

"Index Sponsor" means the index sponsor as specified in the Final Terms of a Series of ETP Securities.

"Individual Certificate" means, in respect of Registered Securities, a definitive certificate in registered form representing such Registered Securities.

"Initial Authorised Participant" means BNP Paribas Arbitrage S.N.C. and any successor thereto.

"Initial Early Redemption Event" has the meaning given to it in Condition 8.7.

"Initial Margin Loan Provider" means Interactive Brokers LLC.

"Initial Tranche" means the first Tranche of a Series of ETP Securities issued.

"Investment Strategy" means the investment strategy specified for the ETP Securities in the Final Terms.

"Investment Strategy Modification" means with respect to an Investment Strategy, the Portfolio Administrator makes operational adjustments to the Investment Strategy to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained or any material modification to the Investment Strategy or its implementation by the Portfolio Administrator.

"Issue Date" means the date of issuance of the relevant Tranche as specified in the Final Terms relating to such Tranche.

"Issue Price" means, in respect of a Tranche of ETP Securities, the amount per ETP Security specified in the Final Terms.

"Issuer" means Leverage Shares Public Limited Company, a public limited company incorporated under the laws of Ireland with registration number 597399.

"Issuer Call Redemption Notice" has the meaning given to it in Condition 8.6.

"Issuer Redemption Notice" has the meaning given to it in Condition 8.7.

"Issuer's Website" means the website having the following internet address: www.leverageshares.com or such other internet address as may be used by the Issuer and notified to ETP Securityholders and the Trustee in accordance with Condition 17.

"Issuing and Paying Agent" means Link ASI Limited and any successor or replacement thereto or any other entity appointed as issuing and paying agent pursuant to the Agency Agreement.

"Leveraged Exposure" means a leveraged long exposure to the Reference Asset.

"Leverage Factor" means the leverage factor in respect of a Series of ETP Securities as specified in the relevant Final Terms.

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

"Mandatory Redemption" means a redemption of ETP Securities in accordance with Condition 8.7.

"Mandatory Redemption Amount" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

- (A) the Principal Protection Amount of such ETP Security; and
- (B) the Pro-rata Liquidation.

"Mandatory Redemption Date" means, in respect of a Mandatory Redemption Event, the date designated as such in accordance with Condition 8.7.

"Mandatory Redemption Event" has the meaning given to it in Condition 8.7.

"Mandatory Redemption Settlement Date" means, in respect of a Mandatory Redemption Event, the day that falls three Currency Business Days after the day on which the Issuer has received payment in full from the Margin Loan Provider of the amounts payable in respect of the termination of the Margin Account Agreement.

"Margin Account" means each account of the Custodian (in respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable) or the Margin Loan

Provider (in respect of Series to which the Second Portfolio Administration Agreement is stated in the Final Terms to be applicable) in which the Collateral Assets and any cash in respect of a Series of ETP Securities will be held by the Custodian or the Margin Loan Provider on behalf of the Issuer.

"Margin Loan Provider" means the Initial Margin Loan Provider, subject to replacement by a replacement Margin Loan Provider, and any of their respective successors.

"Margin Account Security Agreement" means either (i) the English Law Margin Account Security Agreement and the First New York Law Margin Account Security Agreement; or (ii) the Second New York Law Margin Account Security Agreement, as specified in the Final Terms for each Series of ETP Securities.

"Market Disruption Event" means:

- (A) in respect of a Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption which in either case the Portfolio Administrator determines in good faith and in a commercially reasonable manner to be material, at any time during the one hour period that ends at the relevant Valuation Time, or (iii) an Early Closure; and
- (B) in respect of a Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, either:
 - (1) the occurrence or existence, in respect of the Reference Asset, of:
 - (i) a Trading Disruption, which the Portfolio Administrator determines in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Reference Asset is principally traded;
 - (ii) an Exchange Disruption, which the Portfolio Administrator determines in good faith and in a commercially reasonable manner is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Reference Asset is principally traded; or
 - (iii) an Early Closure.

"Master Definitions Schedule" means the amended and restated schedule of definitions relating to the Programme originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (as further amended, supplemented and/or replaced from time to time).

"Maximum Daily Redemption Limit" means a maximum limit (if applicable) on the redemption number of ETP Securities of a Series on any Optional Redemption Pricing Date, as may be amended by the Margin Loan Provider from time to time in accordance with the terms of the Margin Account Agreement and the Operating Procedures Agreement.

"NGN" means a Global Bearer Security in new global note form.

"Non-Disrupted Valuation Date" means a Valuation Date which is not a "Disrupted Day".

"Normal Exposure" means a +1x exposure to the Reference Asset.

"Notice Deadline" means 2.30 p.m. (Dublin time), provided that the Notice Deadline in respect of any Series of ETP Securities may be adjusted by agreement between the Issuer and the Margin Loan Provider with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with Condition 17.

"Obligor" means each person that has an obligation to the Issuer pursuant to the Secured Property.

"Operating Procedures Agreement" means the amended and restated operating procedures agreement entered into on the Programme Effective Date and as amended and restated on 5 February 2020.

"Optional Redemption" means the redemption of ETP Securities at the option of one or more ETP Securityholders in accordance with the provisions of Condition 8.2.

"Optional Redemption Amount" means an amount per ETP Security calculated by the Determination Agent equal to the greater of:

- (A) the Principal Protection Amount of an ETP Security; and
- (B) the Pro-rata Liquidation.

"Optional Redemption Pricing Date" means a Valuation Date on which a Redemption Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the Operating Procedures Agreement.

"Optional Redemption Settlement Date" means the second Valuation Date after the Optional Redemption Pricing Date, provided that such Valuation Date is not a Disrupted Day and that such Valuation Date is both a Currency Business Day and a CREST Business Day.

"outstanding" means, for the purposes of the Conditions, the Margin Account Agreement and the Trust Deed, in relation to the ETP Securities and a Valuation Date, (i) on the Series Issue Date, the ETP Securities issued on such date, and (ii) on any Valuation Date thereafter, all the ETP Securities issued on or prior to such Valuation Date except (a) those that have been redeemed in accordance with Condition 8; (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Trustee or to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of ETP Securities; (d) those that have become void or in respect of which claims have become prescribed; (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not paid in full the relevant subscription amount under the Authorised Participant Agreement; (f) those in respect of which a Final Redemption Settlement Date, Mandatory Redemption Settlement Date or Optional Redemption Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Issuing and Paying Agent, as the case may be) has received in full the related termination payment under the Margin Account Agreement; (g) those that have been purchased, settled and cancelled as provided in Condition 8.4; (h) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities; (i) (for the purpose only of determining how many ETP Securities are outstanding and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement ETP Securities have been issued and (j) any Global Bearer Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the ETP Securityholders, (2) the determination of how many ETP Securities are outstanding for the purposes of the Conditions, the Margin Account Agreement and the Trust Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the ETP Securityholders, those ETP Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding. For the avoidance of doubt, ETP Securities (if any) which the Issuer has agreed on or prior to such Valuation Date to redeem but in respect of which the related termination payment under the Margin Account Agreement has not yet been paid in full to the Issuer (or the Trustee or Issuing and Paying Agent, as applicable) shall be deemed to be "outstanding" on such Valuation Date and ETP Securities (if any) which the Issuer has agreed on or prior to such Valuation Date to issue but in respect of which payment of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "outstanding" on such Valuation Date.

"Paying Agent" means any entity as may be appointed from time to time as paying agent of the Issuer in accordance with Condition 10.7, and any successor or replacement thereto.

"Payment Business Day" means, in respect of any ETP Securities, any day (i) on which the Relevant Clearing System is open and (ii) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Dublin and the financial centre of the Relevant Currency which, in the case of a payment in EUR, is a TARGET Settlement Day.

"Physical Assets" means equity securities, debt securities, fixed income securities and units in exchanged traded funds.

"Portfolio Administrator" means either Interactive Brokers (UK) Limited and any successor or replacement thereto or GWM Limited and any successor or replacement thereto, as specified in the Final Terms for each Series of ETP Securities, or any other entity appointed as Portfolio Administrator in accordance with the terms of the relevant Portfolio Administration Agreement.

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

"Principal" means the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount (as applicable).

"Principal Amount" means, in respect of any ETP Security, the amount in the Relevant Currency specified in the Final Terms.

"Principal Protection Amount" means an amount per ETP Security, in respect of each Tranche of ETP Securities, corresponding to 2.00 per cent of the Principal Amount for the ETP Security of such Tranche.

"Pro-rata Liquidation" means an amount equal to the liquidation of the relevant Collateral Assets held in the Margin Account for a Series of ETP Securities, pro rata to the amount of ETP Securities being redeemed divided by the total number of ETP Securities for such Series, after the pro rata deduction of all costs and expenses incurred by the Issuer in connection with the liquidation of such Collateral Assets, the pro rata deduction of the Arranger Fee and any Funding and Brokerage Fees.

"Proceedings" has the meaning given to it in Condition 19.2.

"Programme Document" means each of the Master Trust Deed, the Agency Agreement, the Registrar Agreement, the Margin Account Agreement, the Margin Account Security Agreement, the Portfolio Administration Agreement, the Operating Procedures Agreement, the Determination Agency Agreement, the Broker Dealer of Record Agreement, the Services Agreement and each Authorised Participant Agreement and **"Programme Documents"** means all such documents.

"Programme Effective Date" means 5 December 2017.

"Programme Maximum Number of ETP Securities" means 1,000,000,000.

"Programme Party" means a party to a Programme Document (other than the Issuer and ETP Securityholders).

"Prospectus Regulation" means Regulation (EU) 2017/1129.

"Publication Event Redemption Notice" has the meaning given to it in Condition 8.7.

"Publication Failure Event" has the meaning given to it in Condition 8.7.

"Rebalance Business Day" means any day which is a Trading Business Day and also a day on which commercial banks and foreign exchange markets settle payment in the country in which the relevant Reference Asset is admitted to trading or any other day designated as a Rebalance Business Day by the Issuer.

"Record Date" means the Clearing System Business Day immediately prior to the date for payment, where **"Clearing System Business Day"** means Monday to Friday inclusive except 25 December and 1 January.

"Redemption Amount" means either the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount.

"Redemption Account" means, in respect of ETP Securities, a bank account to receive payments in the Relevant Currency of the Optional Redemption Amount in respect of the redemption of such ETP Securities, which account shall be:

(A) for an Authorised Participant, the bank account notified in writing for such purposes by the Authorised Participant to the Issuer, the Margin Loan Provider and the Trustee from time to time; and

(B) otherwise, the bank account specified in the Redemption Order.

"Redemption Order" means a Redemption Order in the form attached to the Operating Procedures Agreement, or such other form as may be acceptable to the Issuer in its sole discretion.

"Redemption Limit" means the sum of the Maximum Daily Redemption Limits applicable to the Margin Account Agreement relating to the ETP Securities.

"Reference Asset" means a reference asset of the relevant Index or Investment Strategy in respect of a Series of ETP Securities as specified in the Final Terms.

"Registered Securities" has the meaning given to it in Condition 2.

"Registrar" means Link Registrars Limited or any successor or replacement thereto or any other entity appointed as registrar in accordance with the terms of the Registrar Agreement.

"Related Exchange" means the exchange specified in the Final Terms.

"Relevant Clearing System" means (i) Euroclear, (ii) Clearstream, Luxembourg (iii) CREST or (iv) any other recognised clearing system in which ETP Securities of a Series may be cleared.

"Relevant Currency" means the currency of denomination of the ETP Securities, as specified in the Final Terms.

"Relevant Date" has the meaning given to it in Condition 11.

"Relevant Provisions" means, in respect of the Determination Agent, the provisions of the Determination Agency Agreement, the Trust Deed, and the Conditions.

"Relevant Stock Exchange" any stock exchange on which ETP Securities of a Series may be listed.

"RIS" means a regulated information service for the purposes of giving information relating to the ETP Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time, including but not limited to the Regulatory News Service (the **"RNS"**) of the London Stock Exchange.

"Scheduled Closing Time" means, in respect of an Exchange or Related Exchange and a Valuation Date, the scheduled weekday closing time of such Exchange or Related Exchange on such Valuation Date, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Trading Day" means:

(A) in respect of any Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, any day on which each Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions; and

(B) in respect of any Index-linked Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is applicable, any day on which (i) the Index Sponsor is scheduled to publish the level of the Index; and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session; and

(C) in respect of any Series of ETP Securities which pursue an Investment Strategy for which the Final Terms specify that 'Multiple Exchange' is applicable, any day on which the Related Exchange is scheduled to be open for trading for its regular trading session.

"Second New York Law Margin Account Security Agreement" means the New York law governed margin account security agreement entered into between the Issuer and the Trustee with respect to the Second Margin Account Agreement.

"Secondary Early Redemption Event" has the meaning given to it in Condition 8.7.

"Secured Creditor" means the Trustee, the Margin Loan Provider and the holders of the ETP Securities.

"Secured Obligations" means all present and future obligations of the Issuer to the Secured Creditors under the Programme Documents and each ETP Security.

"Secured Property" means the assets that are the subject of the security constituted by the Security Documents.

"Securities Act" means The United States Securities Act of 1933 as amended.

"Security" means, as the context requires, the security constituted by the Security Documents.

"Security Document" means each of the Trust Deed, the Margin Account Security Agreement and any Additional Security Document.

"Series" means all ETP Securities having the same ISIN or other similar identifier, including the Initial Tranche and any Further Tranche.

"Series Issue Date" means the date of issuance of the Initial Tranche of a Series of ETP Securities, as specified in the relevant Final Terms.

"Severe Disruption Event" means any event specified as such in the Final Terms.

"Share Trustee" means Monument Trustees Limited, with its registered office at 57 Herbert Lane, Dublin 2, Ireland and CRO number 345558, and any successor thereto.

"Short Exposure" means a short inversed leveraged exposure to the Reference Asset.

"Sub-Custodian" means any sub-custodian (other than a clearing system) properly appointed by the Custodian for the safe-keeping, administration, clearance and settlement of the Collateral Assets or any of them.

"Subscription Limit" means any applicable limit on the Issuer's ability to fund newly issued ETP Securities pursuant to the terms of the Operating Procedures Agreement or the Margin Account Agreement, as may be amended from time to time.

"Subscription Order" means a request from an Authorised Participant delivered to the Issuer to issue ETP Securities.

"Subscription Settlement Date" means the second Valuation Date after the Subscription Trade Date, provided that such Valuation Date is not a Disrupted Day and that such Valuation Date is both a Currency Business Day and a CREST Business Day.

"Subscription Suspension Event" means the delivery by the Issuer of a notice in writing to each Authorised Participant, the Issuing and Paying Agent and the Determination Agent pursuant to the Operating Procedures Agreement stating that with effect from the date specified in such notice subscription of the ETP Securities shall be so suspended.

"Subscription Trade Date" means, subject to Condition 9.2, a Valuation Date on which a Subscription Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the Operating Procedures Agreement.

"Successor Index", in respect of a Series of ETP Securities, means:

- (A) if a relevant Index is not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Determination Agent, such index; or if the Index is calculated by a replacement sponsor chosen by the Issuer at its discretion and acceptable to the Determination Agent, such index; and
- (B) if a relevant Index is replaced by a successor index or replacement index referred to in (A) above, using, in the determination of the Determination Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, such replacement index.

"TARGET Settlement Day" means a day on which the TARGET2 System is operating.

"TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

"Tax" means any tax, duty, assessment, levy, charge or withholding of whatsoever nature imposed, levied, collected, withheld or assessed by any Authority (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same).

"Termination" means, in respect of the Margin Account Agreement, the total or partial close-out of the Margin Account Agreement in accordance with its terms.

"Threshold Event Date" has the meaning given to it in Condition 8.5.

"Trading Business Day" means any day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in Dublin and New York.

"Tranche" means, in relation to a Series of ETP Securities issued on any date, the ETP Securities that are issued on the same Issue Date with the same Principal Amount.

"Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Reference Asset, or (ii) in futures or options contracts relating to the applicable Series of ETP Securities on any relevant Related Exchange.

"Transfer Agent" means any entity as may be appointed from time to time as transfer agent in accordance with the terms of the Agency Agreement and any successor or replacement thereto.

"Uncertificated Registered Securities" means ETP Securities issued in dematerialised uncertificated registered form.

"Uncertificated Regulations" means the Uncertificated Securities Regulations 2001 and the Irish Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996), as amended by the Irish Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (S.I. No. 693 of 2005) and such other regulations made under section 1086 of the Irish Companies Act 2014 having force within Ireland as are applicable to Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) and/or the CREST "relevant system" (as defined in such regulations) and are from time to time in force.

"Unscheduled Rebalance" means an unscheduled rebalance occurring on a Valuation Date on which the rebalancing mechanism built in the relevant Index or Investment Strategy in respect of a Series of ETP Securities has been triggered by a change in the price of the corresponding Reference Asset of such Index or Investment Strategy by more than the relevant trigger level for the Index or Investment Strategy in accordance with its methodology.

"Valuation Date", (i) in respect of any Index-linked Series means each Index Business Day which is also a Trading Business Day and, in respect of a Subscription Order or a Redemption Order, each Trading Business Day; and (ii) in respect of any Series which pursues an Investment Strategy, each Trading Business Day and in respect of a Subscription Order or a Redemption Order, each Trading Business Day.

"Valuation Time" means:

- (A) in respect of a Series of ETP Securities for which the Final Terms specify that 'Multiple Exchange' is not applicable, the Scheduled Closing Time on the Exchange on the relevant Valuation Date; and
- (B) in respect of Index-linked Series where the Final Terms specify that 'Multiple Exchange' is applicable:
 - 1. for the purposes of determining whether a Market Disruption Event has occurred (i) in respect of the Reference Asset, the Scheduled Closing Time on the Exchange,

and (ii) in respect of any options contracts of future contracts on the Index, the close of trading on the Related Exchange; and

2. in all other circumstances, the time at which the official Index Level is calculated and published by the Index Sponsor; and

(C) in respect of any Series of ETP Securities which pursue an Investment Strategy, where the Final Terms specify that "Multiple Exchange" is applicable, the Scheduled Closing Time of the Related Exchange.

"**Value Adjustments**" means cash lending revenues and other revenues on collateral in respect of a Series of ETP Securities.

1.2 Interpretation

All capitalised terms used but not defined in these Conditions will have the meanings given to them in the Master Trust Deed, the Trust Deed and/or the Master Definitions Schedule.

2. Form and Title

The ETP Securities may be issued in bearer form (including in new global note form ("**NGN**") and in classic global note form ("**CGN**") and serially numbered ("**Bearer Securities**", which expression includes ETP Securities which are specified to be Exchangeable Bearer Securities), in registered form ("**Registered Securities**"), in bearer form exchangeable for Registered Securities ("**Exchangeable Bearer Securities**"), or in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities ("**Uncertificated Registered Securities**"), in each case in the Denomination(s) and Relevant Currency specified in the Final Terms. If it is stated in the Final Terms that the form of some or all of the ETP Securities is "Bearer", such ETP Securities are Bearer Securities. If it is so stated that the form of some or all of the ETP Securities is "Exchangeable Bearer", such ETP Securities are Exchangeable Bearer Securities. If it is so stated that the form of some or all of the ETP Securities is "Registered", such ETP Securities are Registered Securities. If it is so stated that the form of some or all of the ETP Securities is "Uncertificated Registered", such ETP Securities are Uncertificated Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the ETP Securities of a particular Series on issue will be the same.

In respect of Bearer Securities relating to a Series to be issued in global form, such Bearer Securities, will (a) if the Bearer Securities are intended to be issued in NGN form, as stated in the Final Terms relating to such Series, be delivered on or prior to the original issue date to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and (b) if the Bearer Securities are intended to be issued in CGN form, as stated in the Final Terms relating to such Series be delivered on or prior to the original issue date to a common depository for Euroclear and Clearstream, Luxembourg.

In respect of Registered Securities relating to a Series to be issued in global form, the Global Registered Certificate in respect of such Registered Securities will be registered in the name of a nominee for, and shall be deposited on its issue date with a common depository on behalf of, Euroclear and Clearstream, Luxembourg.

All Registered Securities of the same Series shall have the same Denomination. Where Exchangeable Bearer Securities are issued, the Registered Securities for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Securities. Bearer Securities shall not be exchangeable for Uncertificated Registered Securities.

Title to the Bearer Securities shall pass by delivery. Title to the Registered Securities shall pass by registration in the register (the "**Register**") which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Uncertificated Registered Securities shall be held in uncertificated registered form in accordance with the Uncertificated Regulations and as such are dematerialised and not constituted by any physical document of title. Uncertificated Registered Securities shall be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. Title to the Uncertificated Registered Securities is recorded on the Register and shall pass by registration in the Register. Notwithstanding anything to the contrary in the Conditions, for so long as the Uncertificated Registered Securities are participating securities: (i) the Register shall be maintained in Ireland and at all times outside of the United

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

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any ETP Security shall be deemed to be and may be treated as the absolute owner of such ETP Security for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such ETP Security shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person will be liable for so treating the holder.

3. **Exchanges of Exchangeable Bearer Securities and transfers of Registered Securities and Uncertificated Registered Securities**

3.1 **Exchange of Bearer Securities and Exchangeable Bearer Securities**

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

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

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

Subject as provided in Condition 3.5, each Exchangeable Bearer Security may be exchanged in whole but not in part for the same aggregate principal amount of Registered Securities represented by an Individual Certificate at the request in writing of the relevant ETP Securityholder and upon surrender of each Exchangeable Bearer Security to be exchanged at the specified office of the Registrar. Registered Securities may not be exchanged for Bearer Securities and Bearer Securities of one Denomination may not be exchanged for Bearer Securities of another Denomination. Bearer Securities which are not Exchangeable Bearer Securities may not be exchanged for Registered Securities.

3.2 **Transfer of Registered Securities in definitive form**

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar) of the Individual Certificate representing such Registered Securities to be transferred, together with the form of transfer endorsed on such Individual Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Individual Certificate, a new Individual Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the ETP Securityholders. A copy of the current regulations will be made available by the Registrar to any ETP Securityholder upon request.

3.3 **Exercise of options or partial redemption in respect of Registered Securities**

In the case of an exercise of an Issuer's or an ETP Securityholder's option in respect of, or a redemption of a part of, a holding of Registered Securities represented by a single Individual

Certificate, a new Individual Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, redeemed. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar.

3.4 Delivery of new Individual Certificates

Each new Individual Certificate to be issued pursuant to Conditions 3.2 to 3.3 will be available for delivery within five business days of surrender of the relevant Exchangeable Bearer Security or, as the case may be, the relevant Individual Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Individual Certificate(s) shall be made at the specified office of the Registrar to whom surrender of such Individual Certificate and, if applicable, delivery of such request, form of transfer or notice of exercise shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified. In this Condition 3.4 "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the Registrar.

3.5 Exchange and transfer free of charge

Exchange and transfer of ETP Securities on registration or transfer will be effected without charge by or on behalf of the Issuer, the Registrar, but upon payment by the relevant ETP Securityholder (or the giving by the relevant ETP Securityholder of such indemnity as the Registrar may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

3.6 Closed periods

No ETP Securityholder may require the transfer of a Registered Security to be registered or an Exchangeable Bearer Security to be exchanged for one or more Registered Security(s) (i) during the period of 15 calendar days ending on the due date for redemption of that ETP Security, (ii) during the period of 15 calendar days prior to any date on which ETP Securities may be redeemed by Optional Redemption pursuant to Condition 8.2 or by the Issuer at its option pursuant to Condition 8.6, (iii) after any such ETP Security has been drawn for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date. An Exchangeable Bearer Security called for redemption may, however, be exchanged for one or more Registered Security(s) in respect of which the Individual Certificate is simultaneously surrendered not later than any Record Date.

3.7 Exchange of Uncertificated Registered Securities

All transactions in respect of Uncertificated Registered Securities (including, without limitation, transfers of the ETP Securities) in the open market or otherwise must be effected through an account with EUI. All transfers of the ETP Securities shall be subject to and made in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Registrar, the CREST Settlement Agent and CREST. The Uncertificated Regulations and such rules, procedures and practices may change from time to time. No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with: (i) the holding of title to the ETP Securities in uncertificated form, (ii) the transfer of title to Uncertificated Registered Securities by means of registration in the Register or (iii) the Uncertificated Regulations.

If at any time the ETP Securities cease to be held in uncertificated form and/or accepted for clearance through CREST, or notice is received by or on behalf of the Issuer that the ETP Securities will cease to be held in uncertificated form and cleared through CREST and/or CREST is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or CREST announces an intention permanently to cease business or does in fact do so, the ETP Securities shall continue to be in registered form and the Issuer, the Registrar, the Issuing and Paying Agent and any other relevant Programme Party may agree such procedures as they determine necessary in relation to the transfer of Uncertificated Registered Securities and shall as soon as reasonably practicable give notice thereof to the ETP Securityholders in accordance with Condition 17.

The provisions of the second paragraph of this Condition 3.7 shall apply equally in the case that a holder ceases to be a CREST member, but for such purposes only the affected holder will need to be notified of the procedures adopted.

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

4. **Constitution and status**

Each Series of ETP Securities is constituted by the applicable Trust Deed and secured by the applicable Security Documents. The ETP Securities of each Series are secured, limited recourse debt obligations of the Issuer, at all times ranking pari passu and without any preference among themselves, secured in the manner described in Condition 6 and recourse in respect of which is limited in the manner described in Condition 6.6 and Condition 13.

5. **ETP Security Value**

The “**ETP Security Value**” in respect of any Valuation Date (which is not a Disrupted Day and on which an Unscheduled Rebalance does not occur) shall be calculated as follows:

- (i) the ETP Security Value on the immediately preceding Valuation Date; adjusted by
- (ii) the change in the value of the Collateral Assets in respect of a Series of ETP Securities since such preceding Valuation Date; minus
- (iii) the applicable Funding and Brokerage Fees; minus
- (iv) the Arranger Fee, plus
- (v) any Value Adjustments

provided that on the Issue Date of each Tranche, the ETP Security Value will be equal to the Issue Price of the ETP Security. Unless otherwise specified, amounts and values for each Valuation Date shall be calculated as at the Valuation Time for such Valuation Date.

6. **Security**

6.1 **Security**

(A) The Security in respect of the ETP Securities shall be constituted by the Security Documents, as described below. Additional Security Documents may be entered into in respect of particular Series if required by the Trustee.

- (1) Pursuant to the Trust Deed, the Secured Obligations of the Issuer shall be secured by:
 - (a) an assignment by way of security of all of the Issuer’s rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to the ETP Securities; and
 - (b) a first fixed charge over (i) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent) to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (ii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the Margin Account Agreement and the Portfolio Administration Agreement and (iii) all of the Issuer’s rights as against the Margin Loan Provider, the Custodian (in respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable) and/or any Sub-Custodian (in

respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable) in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider, the Custodian or of the Custodian (on behalf of the Issuer) with any Sub-Custodian relating to the ETP Securities,

in each case, to the extent that they relate to the ETP Securities, in favour of the Trustee for its benefit and for the benefit of the Secured Creditors.

- (2) In respect of the First Margin Account Agreement, the Issuer and the Trustee have entered into the English Law Margin Account Security Agreement, and the First New York Law Margin Account Security Agreement.

In respect of any Series of ETP Securities to which the First Margin Account Agreement is specified in the relevant Final Terms to be applicable, pursuant to the English Law Margin Account Security Agreement, the Secured Obligations of the Issuer shall be secured by:

- (a) assigning absolutely to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the First Margin Account Agreement to the extent that they relate to such Series of ETP Securities to which the First Margin Account Agreement applies;
- (b) charging in favour of the Trustee all of the Issuer's present and future right, title, interest in and to all of the Issuer's rights as against the Margin Loan Provider and the Custodian under the First Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider and Custodian to the extent that they relate to such Series of ETP Securities to which the First Margin Account Agreement applies; and
- (c) charging in favour of the Trustee all of the Issuer's present and future right, title, interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the First Margin Account Agreement applies.

In respect of any Series of ETP Securities to which the First Margin Account Agreement is specified in the relevant Final Terms to be applicable, pursuant to the First New York Law Margin Account Security Agreement, the Secured Obligations of the Issuer shall be secured by:

- (a) granting in favour of the Trustee a continuing lien on and security interest in all of the Issuer's rights as against the Margin Loan Provider and the Custodian under the First Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider and Custodian to the extent that they relate to such Series of ETP Securities to which the First Margin Account Agreement applies; and
 - (b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the First Margin Account Agreement applies.
- (3) With respect to the Second Margin Account Agreement, the Issuer and the Trustee have entered into a Second New York Law Margin Account Security Agreement. In respect of any Series of ETP Securities to which the Second Margin Account Agreement is specified in the relevant Final Terms to be applicable, pursuant to the Second New York Law Margin Account Security Agreement the Secured Obligations

of the Issuer shall be secured by:

- (a) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the Second Margin Account Agreement to the extent that they relate to such Series of ETP Securities to which the Second Margin Account Agreement applies; and
 - (b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the Second Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to such Series of ETP Securities to which the Second Margin Account Agreement applies; and
 - (c) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to such Series of ETP Securities to which the Second Margin Account Agreement applies.
- (B) The Security created by the Security Documents in respect of the ETP Securities is granted to the Trustee as continuing security for the Secured Obligations. In accordance with the Security Documents, prior to any enforcement of the Security, the Trustee will be deemed to release from such Security without the need for any notice or other formalities:
- (1) sums held by the Issuing and Paying Agent, the Registrar, the CREST Settlement Agent, the Margin Loan Provider and/or the Custodian, as applicable, to the extent required for payment of any sum in respect of the ETP Securities and/or under the Programme Documents which is due and payable to be duly made (which for the avoidance of doubt shall include, without limitation, amounts payable in respect of Principal to the ETP Securityholders in accordance with these Conditions, amounts payable to the Margin Loan Provider under the Margin Account Agreement and Optional Redemption Amounts in respect of the ETP Securities payable to any Authorised Participant by the Issuer);
 - (2) any part of the Secured Property to the extent required to be delivered to or to the order of the Custodian (in respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable) or the Margin Loan Provider pursuant to the terms of the Margin Account Agreement;
 - (3) any part of the Secured Property to the extent required to facilitate the acquisition or sale of any Collateral Assets in accordance with the terms of the Conditions and the Portfolio Administration Agreement; and
 - (4) any part of the Secured Property to the extent required to comply with and subject to the provisions of Conditions 6.6 and 6.7.

6.2 Money received by the Trustee prior to enforcement of Security

- (A) Pursuant to the terms of the Trust Deed, the Issuer agrees, on any date on which a payment of Principal under these Conditions in respect of any ETP Securities becomes due, unconditionally to pay the Trustee (or to the order of the Trustee) in same day cleared funds, in accordance with the Trust Deed, the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount, as applicable, in respect of the ETP Securities which is due and payable on that date.

Notwithstanding anything to the contrary in these Conditions or the Trust Deed, (1) payment of Principal due under the ETP Securities pursuant to the Conditions made to the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent (as the case may be) as provided in the Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of Principal in respect of the ETP Securities to the Trustee for the account

of the ETP Securityholders except to the extent that there is failure by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent (as the case may be) to pass such payment to the relevant ETP Securityholders (whether via payment through the Relevant Clearing System or otherwise) and (2) a payment of Principal made after the due date or as a result of the ETP Securities becoming repayable following an Event of Default or the occurrence of a Mandatory Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent (as the case may be) or the Trustee and notice to such effect has been given by the Issuing and Paying Agent to the ETP Securityholders, except to the extent that there is failure by the Issuing and Paying Agent and/or the Registrar and/or the CREST Settlement Agent (as the case may be) to pass such payment to the relevant ETP Securityholders (whether via payment through the Relevant Clearing System or otherwise). Under the terms of the Trust Deed, the Trustee holds the benefit of this covenant on trust for itself and the ETP Securityholders according to their respective interests.

(B) Save for any moneys received in connection with the realisation or enforcement of all or part of the Security, all moneys received by or on behalf of the Trustee in relation to the Issuer's covenant to pay Principal pursuant to Condition 6.2(A) will, despite any appropriation of all or part of them by the Issuer, be held by the Trustee on trust to apply them:

- (1) first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by or payable to the Trustee under or pursuant to the relevant Security Documents (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Trustee's remuneration) required to be paid by the Trustee in connection with the performance of its obligations under the relevant Security Documents and the Trustee's remuneration);
- (2) secondly, in payment of any amounts owing to the Margin Loan Provider under the Margin Account Agreement, including margin interest, securities lending and brokerage fees;
- (3) thirdly, in payment of any amounts owing to the Arranger in respect of the Arranger Fee;
- (4) fourthly, in payment of any amounts owing to the holders of the relevant ETP Securities *pari passu* and rateably; and
- (5) fifthly, in payment of any balance to the Issuer for itself.

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

6.3 Enforcement of Security constituted by the Security Documents

The Security constituted by the Security Documents in respect of the ETP Securities shall become enforceable upon the occurrence of an Event of Default pursuant to Condition 12 below.

6.4 Realisation of Security constituted by the Security Documents

At any time after the Security constituted by the Security Documents has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by holders of at least a majority of the ETP Securities then outstanding or by an Extraordinary Resolution of the ETP Securityholders (a copy of which has been provided to the Trustee), in each case subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction by the ETP Securityholders in accordance with the Trust Deed, enforce the Security constituted by the Security Documents.

To do this, the Trustee may, at its discretion, (i) enforce and/or terminate any relevant Programme Document relating to the ETP Securities in accordance with its or their terms, and/or take action against the relevant Obligor(s) and/or (ii) take possession of and/or realise all or part of the assets over which the Security constituted by the Security Documents shall have become enforceable and may in its discretion, sell, call in, collect and convert into money all or part of such assets, in such

manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual ETP Securityholders.

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

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

The Trustee shall not be required to take any action in relation to the Security constituted by the Security Documents which may (i) be illegal or contrary to any applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

6.5 Application of proceeds of enforcement of Security

Pursuant to the terms of the Security Documents, following enforcement of the security the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by the relevant Security Documents (whether by way of liquidation or enforcement and after taking account of any Taxes incurred, withheld or deducted by or on behalf of the Issuer) as follows:

- (A) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the ETP Securities to the Trustee or any receiver under or pursuant to the relevant Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar Tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents and the Trustee's remuneration);
- (B) secondly, in payment of any amounts owing to the Margin Loan Provider under the Margin Account Agreement, including margin interest securities lending and brokerage fees;
- (C) thirdly, in payment of any amounts owing to the Arranger in respect of the Arranger Fee;
- (D) fourthly, in payment of any amounts owing to the ETP Securityholders *pari passu* and rateably; and
- (E) fifthly, in payment of any balance to the Issuer for itself.

6.6 Shortfall after application of proceeds; Limited recourse and non-petition

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

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

The Second Margin Account Agreement does not contain limited recourse provisions with respect to the liabilities of the Issuer. If following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash in accordance with the applicable orders of priority and the Trust Deed, a claim remains outstanding against the Issuer by the Margin Loan Provider, such claim may be made against assets attributable to other outstanding Series of ETP Securities on a pro rata basis. The Broker Dealer of Record, however, has agreed to indemnify the Issuer against any loss, cost, claim, action, demand or expense which the Issuer may incur as a result of any such claims by the Margin Loan Provider.

The provisions of this Condition 6.6 shall survive notwithstanding any redemption of the ETP Securities or the termination or expiration of any Programme Document.

6.7 Issuer's rights as beneficial owner of Secured Property

Notwithstanding Condition 14.1, at any time before the Security constituted by the Security Documents becomes enforceable, the Issuer may, without the sanction of an Extraordinary Resolution and without the prior written consent of the Trustee:

- (A) take such action in relation to the Secured Property relating to the ETP Securities as may be required by the Programme Documents; and
- (B) exercise any rights incidental to the ownership of the assets which are the subject of the Security constituted by the Security Documents which are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any such ownership interests in respect of such property,

provided that the Issuer shall not exercise any rights with respect to such assets if it is directed to the contrary by the Trustee or by an Extraordinary Resolution and, if such direction is given, the Issuer shall act only in accordance with such direction.

7. Restrictions

So long as any of the ETP Securities remain outstanding, the Issuer shall not, without the prior written consent of the Trustee, the Portfolio Administrator and (other than in respect of paragraphs (B), (C) and (F)), the Margin Loan Provider:

- (A) engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):
 - (1) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some only of the ETP Securities of any Series under the Programme as may be provided in these Conditions and the Trust Deed and the Programme Documents and in connection therewith enter into or amend any Programme Documents accordingly;
 - (2) acquire and own rights, property or other assets which are to comprise Secured Property for a Series of ETP Securities issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Programme Document relating to such Series;
 - (3) perform its respective obligations under any ETP Securities issued under the Programme, and any relevant Programme Document entered into by it in connection with such Series, and any agreements incidental to the granting of Security relating

to any such Series of ETP Securities or incidental to the issue and constitution of any Series of ETP Securities issued under the Programme;

- (4) engage in any activity in relation to the Secured Property, the Collateral Assets, the Margin Account Agreement or any other Programme Document contemplated or permitted by the Conditions, the Margin Account Agreement or such Programme Document relating to any Series of ETP Securities;
 - (5) subject to as provided in the Trust Deed and in the Conditions relating to any Series of ETP Securities enforce any of its rights whether under the Trust Deed, any other Programme Document or otherwise under any agreement entered into in relation to any Series of ETP Securities or any Secured Property relating to any such Series;
 - (6) issue unsecured debt securities, on the conditions that (i) the proceeds of such debt securities shall be used by the Issuer to disburse loans to the holder(s) of such debt securities; and (ii) the holder of such debt securities shall have no right to enforce the obligations of the Issuer thereunder; and
 - (7) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- (B) cause or permit the Margin Account Agreement, the Portfolio Administration Agreement or the terms of the Security granted under the Security Documents and the order of priority specified in the Conditions and the Trust Deed, as applicable, to be amended, terminated or discharged (other than as contemplated or permitted by the Trust Deed, the Margin Account Agreement, the Portfolio Administration Agreement and/or the Conditions relating to such Series of ETP Securities);
- (C) release any party to the Margin Account Agreement, the Trust Deed, the Portfolio Administration Agreement or any other relevant Programme Document relating to a Series of ETP Securities from any existing obligations thereunder (other than as contemplated or permitted by the Trust Deed, Margin Account Agreement, the Portfolio Administration Agreement, any relevant Programme Document and/or the Conditions relating to such Series of ETP Securities);
- (D) have any subsidiaries;
- (E) sell, transfer or otherwise dispose of any assets that are the subject of the Security constituted by the Security Documents or any other part of the Secured Property in respect of any Series of ETP Securities or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant ETP Securities of any such Series, the Margin Account Agreement, the Portfolio Administration Agreement, the relevant Agency Agreement, the Trust Deed for any such Series and any other Programme Document relating to any such Series as may be applicable, including liens of any Margin Loan Providers, Custodians or Sub-Custodians;
- (F) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of the Margin Account Agreement, the Portfolio Administration Agreement, the Conditions, the Trust Deed or any other Programme Document relating to any Series of ETP Securities (other than as contemplated or permitted by the Conditions and the relevant Programme Documents);
- (G) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the Trust Deed and the Conditions for any Series of ETP Securities);
- (H) have any employees (provided this shall not prevent the appointment of the directors);

- (I) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation and which are held by the Share Trustee or its nominee) or make any distribution to its shareholders;
- (J) declare any dividends;
- (K) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of ETP Securities, the Portfolio Administration Agreement, the Margin Account Agreement or any Secured Property relating to a Series of ETP Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Trustee so as to form part of the relevant Secured Property relating to such Series of ETP Securities, or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- (L) purchase, own, or otherwise acquire any real property (including office premises or like facilities);
- (M) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (N) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (O) except as contemplated by any relevant Programme Document, the Conditions relating to a Series of ETP Securities, and/or the agreements contemplated by paragraph (A)(6) above, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Series of ETP Securities, to any other entity or person;
- (P) subject as provided in paragraph (A) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 and 16) issuing further ETP Securities under the Programme (which may or may not form a single Series with the ETP Securities of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such ETP Securities, provided that:
 - (1) if such further ETP Securities are not to form a single Series with any other Series of ETP Securities, such further ETP Securities and obligations are secured on assets of the Issuer other than (i) the assets which are the subject of the Security constituted by the Security Documents relating to any other Series of ETP Securities and (ii) the Issuer's share capital;
 - (2) such further ETP Securities and obligations are secured *pari passu* upon the assets which are the subject of the Security constituted by the Security Documents relating to the Series of ETP Securities with which such ETP Securities are to form a single Series; and
 - (3) in connection with such issue of further ETP Securities, the Margin Loan Provider agrees to any increase of the economic exposure under the Margin Account Agreement which is necessary to facilitate the issue of such further ETP Securities.

provided that the Issuer shall not take any action (even where the prior written consent of the Trustee, the Portfolio Administrator and the Margin Loan Provider is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its memorandum and articles of association.

8. **Redemption**

8.1 **Final redemption**

Unless previously redeemed in whole as provided below, each ETP Security shall become due and payable on its Final Redemption Settlement Date at its Final Redemption Amount.

8.2 Optional Redemption

- (A) An ETP Securityholder which is also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or part of its holding of ETP Securities at the Optional Redemption Amount by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement.
- (B) An ETP Securityholder which is not also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or any part of its holding of such ETP Securities at the Optional Redemption Amount by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the ETP Securityholders in accordance with Condition 17 in respect of any Valuation Date that redemption requests from ETP Securityholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered. Any such announcement may be general or subject to conditions, and any such Redemption Order which is not in accordance with any such conditions shall not be valid.
- (C) Any ETP Security that is subject to Optional Redemption in accordance with this Condition 8.2 as a result of the delivery of a Redemption Order, shall become due and payable on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount.

8.3 Redemption Orders

- (A) A Redemption Order shall only be valid if:
 - (1) other than in the limited circumstances set out in Condition 8.2(B), it is delivered by an ETP Securityholder that is an Authorised Participant;
 - (2) it specifies the number and Series of any ETP Securities to be redeemed;
 - (3) it is received by the Issuer between 8.00 a.m. (Dublin time) and the Notice Deadline on any Valuation Date;
 - (4) it specifies the Redemption Account into which the Optional Redemption Amount shall be payable in respect of any ETP Security to be redeemed;
 - (5) the number of ETP Securities to be redeemed would not result in any Maximum Daily Redemption Limit, or any other applicable limitation on redemption under the Operating Procedures Agreement, being exceeded (for the purposes of which, Redemption Orders shall be dealt with in order of their actual receipt by the Issuer), unless the Margin Loan Provider nonetheless agrees to that Maximum Daily Redemption Limit, or other applicable limitation, being exceeded (and if the Margin Loan Provider does not so agree, such Redemption Order will be valid under this Condition 8.3(A)(5) in respect of the greatest number of ETP Securities that would not result in any Maximum Daily Redemption Limit being exceeded);
 - (6) the Redemption Order is received or deemed to have been received before the occurrence of a Mandatory Redemption Event;
 - (7) on the day it is received (or deemed to have been received by the Issuer) until the Optional Redemption Pricing Date (if different) none of the following events has

occurred and is continuing:

- (a) an Event of Default;
 - (b) a Margin Loan Provider Event of Default; or
 - (c) an Adjustment Event;
- (8) it is not invalid pursuant to Condition 8.3; or
- (9) unless the Issuer otherwise agrees in its absolute discretion, such Redemption Order is submitted by an Authorised Participant on any day and no other Redemption Order has been submitted by that Authorised Participant on or in respect of such day in respect of the same Series.
- (B) If the Issuer determines that a Redemption Order is invalid in whole or in part, it shall notify the ETP Securityholder of that fact as soon as reasonably practicable and no ETP Securities may be redeemed pursuant to a Redemption Order that the Issuer has determined in its absolute discretion is invalid.
- (C) The Issuer shall not be obliged to redeem any ETP Securities pursuant to a Redemption Order where the Margin Loan Provider has not confirmed the Termination of the relevant proportion of the Margin Account Agreement in accordance with the provisions of the Margin Account Agreement and the Operating Procedures Agreement.
- (D) Where a Redemption Order is received by the Issuer on a Valuation Date after the Notice Deadline, such Redemption Order should be void unless the Margin Loan Provider provides its consent for the Issuer to treat such Redemption Order as if it had been received by it prior to the Notice Deadline.
- (E) Within one Dublin Business Day after the Optional Redemption Pricing Date in respect of any Redemption Order, which shall be postponed to the next Dublin Business Day in case such day is not a Dublin Business Day, the Issuer shall notify the relevant ETP Securityholder of the Optional Redemption Amount payable in respect of ETP Securities which are the subject of that Redemption Order, calculated as provided above.
- (F) The Issuer may change or vary the procedures for the submission of Redemption Orders on five calendar days' prior notice to the ETP Securityholders in accordance with Condition 17 and these Conditions shall be interpreted accordingly.

8.4 Settlement of Optional Redemptions

- (A) The Issuer may at its discretion elect to satisfy requests for the Optional Redemption of ETP Securities by transfer of the appropriate number of ETP Securities to one or more Authorised Participants from ETP Securityholders requesting redemption, and for that purpose the Issuer may authorise any person on behalf of the ETP Securityholder to execute one or more instruments of transfer in respect of the relevant number of ETP Securities provided that the amount payable to the ETP Securityholder shall nonetheless be an amount equal to the relevant Optional Redemption Amount and the relevant Optional Redemption Settlement Date shall be the date of such transfer.
- (B) The Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with any ETP Securityholder which is also an Authorised Participant to satisfy any requests for the Optional Redemption of any ETP Securities by the transfer to, or to the order of, such ETP Securityholder on the Optional Redemption Settlement Date of Collateral Assets with a value determined by

the Determination Agent to be equal to the Optional Redemption Amount.

8.5 Suspension of Optional Redemptions

- (A) If on any Valuation Date (a "Threshold Event Date") the ETP Security Value falls to less than 2.00 per cent. of the Principal Amount of the ETP Securities:
- (1) The Issuer shall give notice convening a meeting of ETP Securityholders on a date not more than 30 calendar days after the Threshold Event Date for the purpose of considering an Extraordinary Resolution which would have the effect of reducing the Principal Amount of the ETP Securities to an amount which is not less than 2.00 per cent. of the ETP Security Value as at the time of suspension of redemptions, in which event the suspension will cease only if such Extraordinary Resolution is passed; and
 - (2) the Issuer may at any time after the Threshold Event Date, for so long as the ETP Security Value continues to be less than 2.00 per cent. of the Principal Amount of the ETP Securities, suspend the right to request redemption of ETP Securities pursuant to Condition 8.2.
- (B) If the Margin Loan Provider has defaulted in its obligations under the Margin Account Agreement and such default is continuing (such event, a "Margin Loan Provider Event of Default"), the Issuer may at any time and from time to time while such Margin Loan Provider Event of Default is continuing suspend the right to request redemption of the ETP Securities pursuant to Condition 8.2.

In each case, subject as provided in this Condition 8.5, the Issuer may at its discretion terminate any such suspension at any time.

The following provisions shall apply where Optional Redemptions have been suspended:

- (i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Programme Parties and the ETP Securityholders in accordance with Condition 17, as soon as reasonably practicable, but the failure to give such any such notice shall not prevent the exercise of such discretions;
- (ii) any such suspension may continue for a period of up to 60 calendar days, and may continue thereafter at the discretion of the Issuer (1) in the case of a suspension pursuant to Condition 8.5(A)(2), if the Extraordinary Resolution referred to in Condition 8.5(A)(1) above has not been passed; or (2) in the case of a suspension pursuant to Condition 8.5(B), for so long as the Margin Loan Provider Event of Default is continuing; and
- (iii) any suspension shall not affect any Optional Redemption pursuant to a Redemption Order, the Optional Redemption Pricing Date for which had passed before the suspension commenced, but any Redemption Order in respect of ETP Securities submitted or deemed to be received on a Valuation Date when the right to request redemption of the ETP Securities pursuant to Condition 8.2 is suspended pursuant to this Condition 8.5 shall be invalid.

8.6 Issuer Call Redemption Event

The Issuer may, on giving an irrevocable notice to the Margin Loan Provider and the ETP Securityholders in accordance with Condition 17, elect to redeem all or some only of the ETP Securities and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the fifth calendar day following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**"). In the event that only some of the outstanding ETP Securities are called for redemption pursuant to an Issuer Call Redemption Notice, a *pro rata* portion of each ETP Securityholder's ETP Securities shall be subject to such redemption.

For the purposes of Condition 8.7, a Mandatory Redemption Event in the form of an "**Issuer Call**

Redemption Event" will occur on the Mandatory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Valuation Date on the first following Valuation Date). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the Programme Parties on the same date as such notice is given to the Margin Loan Provider and the ETP Securityholders.

8.7 Mandatory Redemption Events

Each of the following events shall be a mandatory redemption event in respect of the ETP Securities (each a "**Mandatory Redemption Event**"):

- (A) *Disruption Redemption Event*: the occurrence of a Disruption Redemption Event. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Dublin Business Day after the date of the notice from the Issuer to the ETP Securityholders in accordance with Condition 9.3(C);
- (B) *Threshold Redemption Event*: if on any Valuation Date falling on or after the 60th calendar day following a Threshold Event Date, the ETP Security Value is less than 2.00 per cent. of the Principal Amount of such ETP Securities, the Issuer shall designate a Mandatory Redemption Date in respect of the ETP Securities;
- (C) *Termination of appointment of Agent or Authorised Participants*: any of the Determination Agent, the Issuing and Paying Agent, the Registrar, the CREST Settlement Agent, the Portfolio Administrator and/or all of the Authorised Participants in relation to the ETP Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an "Agent Redemption Event Notice") to the Programme Parties and the ETP Securityholders in accordance with Condition 17. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Dublin Business Day after the date of the Agent Redemption Event Notice;
- (D) *Publication failure*: if the ETP Security Value in respect of the ETP Securities has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Valuation Dates (a "Publication Failure Event") and the Trustee is notified in writing of such Publication Failure Event and directed in writing by holders of at least a majority of the ETP Securities then outstanding (an "ETP Securityholder Notice and Direction") to give a notice under this Condition 8.7(D) to the Issuer, the Trustee will, provided that the Trustee has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a "Publication Event Redemption Notice") to the Issuer, copied to each of the Programme Parties. Any such ETP Securityholder Notice and Direction must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent, any Paying Agent and/or the Trustee. For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the fifth Business Day following the date of the Publication Event Redemption Notice. The Trustee shall not be responsible for or liable to the Issuer, any ETP Securityholder or any Programme Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Trustee receives an ETP Securityholder Notice and Direction, the Trustee shall be entitled to assume that no such event has occurred;
- (E) *Change in law or regulation*: on or after the Series Issue Date (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):
 - (1) the Issuer has (or reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Collateral Asset, and/or (y) perform its

obligations under the ETP Securities and/or the Margin Account Agreement; or

- (2) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the ETP Securities and/or the Margin Account Agreement (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),

the Issuer may give notice to the Programme Parties and the ETP Securityholders in accordance with Condition 17 that the ETP Securities are to be redeemed and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the fifth Dublin Business Day following the date of the relevant notice (such notice an "**Issuer Redemption Notice**");

- (F) *Margin Account Termination Event*: if the Margin Account Agreement terminates prior to the redemption of all the ETP Securities for any reason (a "Margin Account Termination Event"). For the purposes of Condition 8.7, a Mandatory Redemption Date will occur on the date of termination of the Margin Account Agreement; and
- (G) *Issuer Call Redemption Event*: an Issuer Call Redemption Event occurs pursuant to Condition 8.6.

Notwithstanding anything to the contrary in the Conditions or any Programme Document, if at any time following the occurrence of a Mandatory Redemption Event (the "**Initial Early Redemption Event**") an event or circumstance which would otherwise constitute or give rise to a Mandatory Redemption Event occurs (the "**Secondary Early Redemption Event**") in respect of which the Mandatory Redemption Date relating thereto occurs (or would occur) prior to the date that would have been the Mandatory Redemption Date in respect of the Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the "**Mandatory Redemption Event**" in the Conditions and the Programme Documents shall be construed accordingly.

8.8 Mandatory Redemption Amount

If any of the Mandatory Redemption Events listed in Condition 8.7 occurs, each ETP Security shall become due and payable on the related Mandatory Redemption Settlement Date at its Mandatory Redemption Amount.

The Issuer shall give notice to the ETP Securityholders of the Mandatory Redemption Date and the Mandatory Redemption Settlement Date of the ETP Securities as soon as reasonably practicable in accordance with Condition 17.

9. Disruption Events, Adjustments Events and postponement

9.1 Disruption Events and determination of Index Level

If a Valuation Date is a Disrupted Day, then with respect to a Series of ETP Securities:

- (A) the calculation and publication of the ETP Security Value in respect of such Valuation Date will be postponed to the next following Valuation Date that is not a Disrupted Day;
- (B) the Issuer shall use reasonable efforts, to the extent that all required information is available to it, to publish an indicative price in respect of each ETP Security on the Issuer's Website, solely for information purposes.

9.2 Postponement of settlement of subscriptions and Optional Redemptions

- (A) If a Subscription Order or a Redemption Order (which is determined to be valid in accordance with the terms of the Operating Procedures Agreement) is received by the Issuer on a Valuation Date which is a Disrupted Day, then such Subscription Order or Redemption Order shall be deemed to have been received by the Issuer on the day on which the ETP Security Value is deemed to be determined in respect of that Valuation Date. No additional amount

shall be payable to any Authorised Participant (or any ETP Securityholder acquiring ETP Securities from, or selling ETP Securities to, an Authorised Participant) in connection with the postponement of Subscription Settlement Date or Optional Redemption Settlement Date, as applicable.

- (B) A Subscription Order delivered by an Authorised Participant which has been deferred in accordance with Condition 9.2(A) may be withdrawn by that Authorised Participant in accordance with the terms of the Operating Procedures Agreement.

9.3 Adjustments

- (A) If an Adjustment Event has occurred, the Issuer will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the terms of the Conditions of the ETP Securities to account for the economic effect on the Margin Account Agreement, the Portfolio Administration Agreement and the ETP Securities of the relevant Adjustment Event.
- (B) If the Issuer determines that it is appropriate to make such adjustments referred to in (A) above, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner the nature and effective date of such adjustment(s), and notify the Programme Parties and, in accordance with Condition 17, the ETP Securityholders of the occurrence of such Adjustment Event and the details of such adjustments to the Conditions and any related adjustments to the terms of the Margin Account Agreement and the Portfolio Administration Agreement (including the designation of a Successor Index, if applicable) as soon as reasonably practicable upon making such determinations.

With effect from the effective date of any such adjustment, the Issuer and the Programme Parties shall take into account the relevant adjustment(s) so notified to it when making any determination and/or calculation it is required to make under the Conditions and the terms of the relevant Programme Documents, as appropriate, and the Conditions of the ETP Securities and the terms of the Programme Documents shall be construed accordingly. Neither the consent of the Trustee nor the consent of the ETP Securityholders will be required for any such adjustment to the Conditions of the ETP Securities, provided that no such adjustment or amendment may be made which would, in the Trustee's opinion, affect its rights, protections or impose more onerous obligations on the Trustee without its consent.

- (C) If the Issuer determines that it is not appropriate to make such adjustments referred to in (A) above, the Issuer will notify the Programme Parties and, in accordance with Condition 17, the ETP Securityholders that the ETP Securities will be redeemed and, for the purposes of Condition 8.7, a Mandatory Redemption Event in the form of a "**Disruption Redemption Event**" will occur.

10. Payments, calculations, Agents and records

10.1 Payments net of Taxes

All payments in respect of the ETP Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments in respect of the ETP Securities, the ETP Securityholders will be subject to, and shall not be entitled to receive amounts to compensate for, any such Tax or deduction or any other amounts withheld or deducted pursuant to Condition 10.3. No Event of Default shall occur as a result of any such withholding or deduction.

10.2 Payments

- (A) Payments of Principal in respect of Definitive Securities will, subject to Conditions 10.2(C) and 10.3, be made against presentation and surrender of the relevant ETP Securities at the specified office of any Paying Agent outside the United States, by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to, an account

denominated in such currency with a Bank.

"Bank" means a bank in the principal financial centre of the currency of payment or, in the case of euros, a city in which banks in general have access to the TARGET2 System.

- (B) For as long as the ETP Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a common depository, common safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the ETP Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant Clearing System as owning ETP Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any ETP Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.
- (C) Notwithstanding the foregoing, for so long as the ETP Securities are represented by a Global Security, if any amount payable in respect of such ETP Securities is payable in U.S. dollars, such U.S. dollar payments shall be made at the specified office of a Paying Agent in the U.S. if:
- (1) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount due in respect of the ETP Securities in the manner provided above when due;
 - (2) payment of the full amount due at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of the amount due in U.S. dollars; and
 - (3) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

10.3 Payments subject to fiscal laws

All payments in respect of the ETP Securities will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 10.1 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 10.1). No commission or expenses shall be charged to the ETP Securityholders in respect of such payments.

10.4 Calculations

- (A) The Determination Agent will, as soon as reasonably practicable on such date and/or at such time as the Determination Agent is required in accordance with the Determination Agency Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.
- (B) The calculation by the Determination Agent of any amount, price, rate or value required to be calculated by the Determination Agent under the Relevant Provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on

the Issuer, the ETP Securityholders and the Programme Parties.

10.5 Calculation by Trustee

If at any time after the Security has become enforceable pursuant to Condition 6.3 and the Determination Agent does not make any calculation relating to the ETP Security Value, Final Redemption Amount, Optional Redemption Amount or Mandatory Redemption Amount when required pursuant to the Conditions and the Programme Documents, then the Trustee may appoint an agent on its behalf to make any calculation in place of the Determination Agent provided that the Trustee shall have been pre-funded and/or secured and/or indemnified to its satisfaction by one or more ETP Securityholders in accordance with the Trust Deed. Any such calculation made on behalf of the Trustee shall for the purposes of the Conditions and the Programme Documents be deemed to have been made by the Determination Agent. In doing so, the appointed agent shall apply the provisions of the Conditions and/or the relevant Programme Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. In the absence of fraud, gross negligence and wilful default, the Trustee directly or its agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, the ETP Securityholders or any Programme Party for any calculation (or any delay in making any calculation) so made.

10.6 Determination Agent

- (A) Subject as provided in the Conditions and the Determination Agency Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Determination Agent for so long as any of the ETP Securities are outstanding. If the Determination Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides services of a similar type to those required of the Determination Agent under the Relevant Provisions or a leading bank or investment banking firm (acting through its principal London office or any other office actively involved in such market) engaged in the interbank market (or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Determination Agent under the Relevant Provisions to act as such in its place.
- (B) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any ETP Securityholder, any other Programme Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Determination Agent of its obligations under the Determination Agency Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Determination Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Determination Agent (any such act or omission, a "Determination Agent Breach").
- (1) If the Determination Agent would, but for the operation of this Condition 10.6(B)(1), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any ETP Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Programme Party to provide any notice, instruction or direction which such Programme Party is required or permitted to give under the Conditions or any relevant Programme Document or (ii) a delay in the delivery by any other Programme Party of any notice, instruction or direction which such Programme Party is required or permitted to give to the Determination Agent under the Conditions or any relevant Programme Document.
- (2) If the Determination Agent would, but for the operation of this Condition 10.6(B)(2), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any ETP Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from the reliance by the Determination Agent upon a rate, amount, quotation, value or other calculation or

determination notified to the Determination Agent pursuant to the Conditions and/or any relevant Programme Document which is made by another Programme Party in accordance with the Conditions and the terms of any relevant Programme Document.

- (C) The Determination Agent has no obligation towards or relationship of agency or trust with any ETP Securityholder.
- (D) The Determination Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Determination Agency Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Determination Agency Agreement against or on the part of the Determination Agent. The Determination Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Programme Document unless otherwise agreed pursuant to the Relevant Provisions.

10.7 Appointment of Agents

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any ETP Securityholder. The Issuer may at any time without requiring the prior written approval of the Trustee or the ETP Securityholders but subject to and in accordance with the provisions of the relevant Programme Documents, terminate the appointment of an Agent, replace an Agent or appoint additional or other Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Programme Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, a CREST Settlement Agent and a Registrar, (ii) a Determination Agent, (iii) a Portfolio Administrator, and (iv) such other agents as may be required by any stock exchange on which the ETP Securities may be listed. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the ETP Securityholders by the Issuer in accordance with Condition 17.

Pursuant to the terms of the Trust Deed, at any time after an Event of Default or a Potential Event of Default has occurred in relation to the ETP Securities, the Trustee may (i) by notice in writing to the Issuer, the Issuing and Paying Agent and any other Paying Agents, the Registrar, the Portfolio Administrator, the CREST Settlement Agent, any Transfer Agents, and/or the Determination Agent, require any and all of such Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the ETP Securities *mutatis mutandis* on the terms of the Agency Agreement and/or the Portfolio Administration Agreement and/or the Determination Agreement, as applicable (with consequential amendments as necessary) and except that the Trustee's liability for the indemnification, remuneration and all other expenses of such Agents (if any) shall be limited to the amounts for the time being held by the Trustee in respect of the ETP Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6.5) to discharge such liability); or (b) deliver the ETP Securities and all moneys, documents and records held by them in respect of the ETP Securities to or to the order of the Trustee or as the Trustee directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the ETP Securities to or to the order of the Trustee and not to the Issuing and Paying Agent, the CREST Settlement Agent and/or the Registrar (as the case may be) with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, proviso (1) of Condition 6.2(A) shall cease to have effect.

10.8 Authorised Participants

Notwithstanding anything to the contrary in these Conditions, for the avoidance of doubt, neither the approval of ETP Securityholders by way of an Extraordinary Resolution of ETP Securityholders or otherwise or the consent of the Trustee is required (without limitation) in connection with the accession of a new Authorised Participant to the Programme or the termination of the appointment of an existing Authorised Participant (including the Initial Authorised Participant). Without prejudice to the forgoing and Condition 8.7(C), the Issuer shall use reasonable endeavours to at all times maintain at least one Authorised Participant.

10.9 **Business day convention and non-Payment Business Days**

- (A) If any date for payment in respect of any ETP Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.
- (B) If any date referred to in the Conditions would otherwise fall on a day that is not a Valuation Date, then such date shall be postponed to the next day that is a Valuation Date.

10.10 **Records**

For so long as the ETP Securities are represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 10.10 means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the ETP Securities) shall be conclusive evidence of the number of the ETP Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of ETP Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

10.11 **Negotiability of Global Bearer Security**

If the ETP Securities are Bearer Securities represented by a Global Bearer Security, the Global Bearer Security is a bearer document and negotiable and accordingly:

- (A) is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;
- (B) the holder of the Global Bearer Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption or otherwise payable in respect of the Global Bearer Security and the Issuer waives as against such holder and any previous holder of the Global Bearer Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Bearer Security; and
- (C) payment upon due presentation of the Global Bearer Security will operate as a good discharge against such holder and all previous holders of the Global Bearer Security.

11. **Prescription**

Claims against the Issuer for payment under the Conditions in respect of the ETP Securities shall be prescribed and become void unless made within 10 years from the date on which the payment of Principal in respect of the ETP Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven days after that on which notice is duly given to the ETP Securityholders that, upon further presentation of the ETP Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the "**Relevant Date**") save that if the ETP Securities are in global bearer form claims in respect of Principal in respect of the relevant Global Bearer Security shall become void unless the Global Bearer Security is presented for payment within a period of 10 years from the appropriate Relevant Date.

12. **Events of Default**

If any of the following events (each, an "**Event of Default**") occurs, the Trustee at its discretion may or will, if so directed in writing by holders of at least a majority of the ETP Securities then outstanding or if so directed by an Extraordinary Resolution, a copy of which has been provided to the Trustee (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction by one or more ETP Securityholders in accordance with the Trust Deed),

give notice to the Issuer (copied to each Programme Party) (such notice an "**Event of Default Redemption Notice**") that the ETP Securities are, and they shall immediately become, due and payable at their Final Redemption Amount:

- (A) the Issuer defaults in the payment of any sum due in respect of the ETP Securities or any of them for a period of 14 calendar days or more;
- (B) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under the ETP Securities, the Trust Deed or any other Programme Document, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- (C) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;
- (D) an examiner is appointed in respect of the Issuer; or
- (E) a Margin Loan Provider Event of Default or Margin Loan Provider insolvency occurs

The Issuer will, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the ETP Securityholders in accordance with Condition 17 and to the Authorised Participant(s).

The Issuer has undertaken in the Trust Deed that, on each anniversary of the issue date of the first Series of ETP Securities issued under the Programme and also within 14 calendar days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that as at a date not more than five calendar days prior to the date of the certificate no Event of Default, or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default, has occurred.

13. **Enforcement**

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer, as it may think fit to enforce the rights of the holders of the ETP Securities against the Issuer whether the same arise under general law, the Trust Deed or the ETP Securities, any other Programme Document or otherwise, but, in each case, it need not take any such action or step or institute proceedings unless in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution a copy of which has been provided to the Trustee or notified in writing by holders of at least a majority of the ETP Securities then outstanding and it shall have been secured and/or prefunded and/or indemnified to its satisfaction.

None of the Secured Creditors shall be entitled to proceed directly against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Security Documents, fails or neglects to do so within a reasonable time and such failure is continuing.

The ETP Securityholders acknowledge and agree that only the Trustee may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Security Documents.

The Trustee shall not be required to take any action in relation to the Security constituted by the Security Documents which may (i) be illegal or contrary to any applicable law or regulation or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

14. **Meetings of ETP Securityholders, modification, waiver, substitution and restrictions**

14.1 **Meetings of ETP Securityholders**

The Trust Deed contains provisions for convening meetings of the ETP Securityholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the ETP Securities (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such ETP Securities).

The quorum at any such meeting for passing an Extraordinary Resolution will be two or more ETP Securityholders or agents present in person holding or representing in the aggregate more than 50 per cent. of the number of the ETP Securities for the time being outstanding or, at any adjourned such meeting, two or more ETP Securityholders or agents present in person being or representing ETP Securityholders, whatever the number of the ETP Securities so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the ETP Securityholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the ETP Securities (ii) to reduce or cancel the principal amount payable on redemption of, the ETP Securities, (iii) to change any method of calculating the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount, (iv) to change the currency or currencies of payment or Denomination of the ETP Securities, (v) to take any steps which as specified in the Trust Deed may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (vi) to modify the provisions concerning the quorum required at any meeting of ETP Securityholders or the majority required to pass an Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception or (viii) to modify any other provisions specifically identified for this purpose in the Trust Deed will only be binding if passed at a meeting of the ETP Securityholders, the quorum at which shall be two or more ETP Securityholders or agents present in person holding or representing in the aggregate not less than 75 per cent. of the number of ETP Securities for the time being outstanding, or at any adjourned meeting, two or more ETP Securityholders or agents present in person being or representing in the aggregate not less than 10 per cent. of the number of the ETP Securities so held or represented (provided that at an adjourned meeting convened for the purpose of reducing the Principal Amount of the ETP Securities following a Threshold Event Date, the quorum shall be two or more ETP Securityholders or agents whatever the number of ETP Securities so held or represented). The holder of a Bearer Security or Registered Security in global form representing all of the ETP Securities for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the ETP Securities for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of ETP Securityholders.

14.2 **Modification of the relevant Programme Documents**

- (A) Subject to Condition 14.3(F), the Trustee may agree, without the consent of the ETP Securityholders, to (i) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which is, in the opinion of the Trustee, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Programme Document to which the Trustee is a party that is in the opinion of the Trustee not materially prejudicial to the interests of the ETP Securityholders. Any such modification, authorisation or waiver will be binding on the ETP Securityholders and, if the Trustee so requires, such modification will be notified by the Issuer to the ETP Securityholders in accordance with Condition 17 as soon as reasonably practicable. This Condition 14.2(A) shall not limit the authority of the Issuer to make any of the modifications to these Conditions, the Trust Deed and/or any other Programme Document as set out in Condition 14.2(B).
- (B) The Issuer may agree, without of the consent of the Trustee or the ETP Securityholders, to any modification to these Conditions, the Trust Deed and/or any other Programme Document (whether or not the Trustee is a party thereto)

which is not specifically stated therein to require the consent of the Trustee or the ETP Securityholders, including any modification which is made:

- (1) in connection with the accession of a new Authorised Participant to the Programme or the termination of the appointment of an existing Authorised Participant (including the Initial Authorised Participant);
- (2) in connection with any variation of the terms of appointment of an Agent, the termination of the appointment of an Agent, the replacement of an Agent, the appointment of additional Agents or any variation or amendment to the terms of any Programme Document;
- (3) in connection with an amendment to the terms of the Programme to extend the range of assets which may be included as Collateral Assets for any Series of ETP Securities to be issued following the date of the relevant amendments;
- (4) in connection with an amendment to the terms of the Programme to facilitate the issue of Series of ETP Securities which pursue actively managed Investment Strategies, such Series to be issued following the date of the relevant amendment;
- (5) in order to facilitate any application for the admission of the ETP Securities of any Series to listing or trading on any stock exchange;
- (6) in order to effect the transfer of the Margin Account Agreement to a new Margin Loan Provider or to make amendments consequent upon such transfer; or
- (7) to effect any adjustment to the Conditions of the ETP Securities and/or the terms of the Margin Account Agreement pursuant to Condition 9.3 as a consequence of the occurrence of an Adjustment Event provided that:
 - (a) the adjustments so agreed have the consequence that at the time of the adjustments there is no negative change to the ETP Security Value in respect of the ETP Securities; and
 - (b) the adjustments do not take effect until at least three calendar days have elapsed after they are announced to the ETP Securityholders in accordance with Condition 17.

To the extent that the consent of the Trustee is required in order to give effect to any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee is a party which the Issuer certifies to the Trustee is necessary or desirable to be made for the purposes described in paragraphs (1) to (7) above, the Trustee shall agree, without the consent of the ETP Securityholders, to such modification provided however that the Trustee shall not be required to agree to any modification which would, in the Trustee's opinion, affect its rights, protections or impose more onerous obligations on the Trustee.

14.3 Substitution

The Trustee may, without the consent of the ETP Securityholders, but subject to the prior consent of each Authorised Participant and the Margin Loan Provider, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Security Documents, the other Programme Documents to which it is a party and the ETP Securities of each Series, of any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"), provided that:

- (A) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Security Documents and the ETP Securities of each Series (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Security

Documents and the ETP Securities as the principal debtor in place of the Issuer;

- (B) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Security Documents and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;
- (C) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- (D) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the ETP Securities of each Series and any Programme Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;
- (E) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that the Margin Loan Provider and any other Programme Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and comply with such other requirements in the interests of the ETP Securityholders as the Trustee may direct;
- (F) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the ETP Securities, agree to a change of the law from time to time governing such ETP Securities and/or the Supplemental Trust Deed and/or the Security Documents, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such ETP Securityholders;
- (G) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the ETP Securityholders; and
- (H) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

An agreement by the Trustee pursuant to this Condition 14.3 and the Security Documents will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Security Documents, the ETP Securities and the other relevant Programme Documents. The Substituted Obligor shall give notice of the substitution to the ETP Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 14.3 and the Security Documents, the Substituted Obligor shall be deemed to be named in these Conditions, the Security Documents, the other Programme Documents and the ETP Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Security Documents, the other Programme Documents and the ETP Securities shall be deemed to be amended as necessary to give effect to the substitution.

14.4 Entitlement of the Trustee

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions under the relevant Programme Documents, the Trustee will have regard solely to the interests of the ETP Securityholders as a Series and will not have regard to the consequences of such exercise for individual ETP Securityholders and the Trustee will not be entitled to require, nor shall any ETP Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon individual ETP Securityholders.

So long as the ETP Securities are in global form and such Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of ETP Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

14.5 **Prohibition on U.S. persons**

ETP Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of ETP Securities who contravenes such prohibition to void the transfer of such ETP Securities to such legal or beneficial owner or to redeem any such ETP Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such ETP Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the ETP Security Value prevailing at the time such transfer is voided. Terms used in this Condition 14.5 have the meanings given to them by Regulation S under the Securities Act.

14.6 **ERISA prohibition**

ETP Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an "**Employee Benefit Plan**" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") applies (a "**Plan**") or (iii) an entity whose constituent assets include "**Plan Assets**" (as determined pursuant to the "Plan Assets Regulation" issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a "**Similar Law**") unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of ETP Securities who contravenes such prohibition to void the transfer of such ETP Securities to such legal or beneficial owner or to redeem any such ETP Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the issuer selling such ETP Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the ETP Security Value prevailing at the time such transfer is voided. Terms used in this Condition 14.6 have the meanings given to them by the Code.

15. **Replacement of ETP Securities**

If an ETP Security in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London or such other Paying Agent, as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to ETP Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed ETP Security is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such ETP Security) and otherwise as the Issuer may require. Mutilated or defaced ETP Securities must be surrendered before replacements will be issued.

16. **Issue of further Tranches and Series of ETP Securities**

16.1 Further Tranches

Subject to Condition 6, the Issuer may, from time to time (without the consent of the Trustee or any ETP Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as the ETP Securities in all respects and so that such further issue shall be consolidated and form a single Series with the ETP Securities or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

Only an Authorised Participant may request that the Issuer issue additional Tranches of the ETP Securities by delivering a valid Subscription Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

The Issuer will only accept a Subscription Order and issue ETP Securities if:

- (A) a Subscription Order is given by an Authorised Participant and determined to be valid by or on behalf of the Issuer;
- (B) the acceptance of such Subscription Order will not cause any Subscription Limit for the ETP Securities or the Margin Account Agreement to be exceeded;
- (C) in connection with such issue of ETP Securities, the Margin Loan Provider agrees to any increase of the economic exposure under the Margin Account Agreement which is necessary to facilitate the issue of such ETP Securities; and
- (D) all conditions precedent to an issue of the ETP Securities are satisfied.

The Issuer shall have no obligation to issue further ETP Securities and no obligation to accept any Subscription Orders from (but excluding) the fifth Valuation Date preceding the Final Redemption Date of the ETP Securities.

In accordance with the terms of the Authorised Participant Agreement(s), the Operating Procedures Agreement and the Margin Account Agreement, the Issuer will not be obliged to accept any Subscription Order and/or issue ETP Securities if (i) a Subscription Suspension Event has occurred and is continuing, and/or (ii) a Mandatory Redemption Event has occurred and/or a Margin Loan Provider Event of Default has occurred and/or (iii) the Margin Loan Provider does not consent to increase the economic exposure under the Margin Account Agreement by a *pro rata* amount. If an Issuer Call Redemption Notice is delivered the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Dublin Business Day preceding the related Mandatory Redemption Date designated in such notice. If an Issuer Redemption Notice is delivered by the Issuer the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Dublin Business Day preceding the related Mandatory Redemption Valuation Date designated in such notice. If the Margin Loan Provider elects for the Margin Account Agreement to terminate on the last day of its scheduled term and such date falls before the Final Redemption Date of the ETP Securities the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Dublin Business Day preceding the scheduled termination date of the Margin Account Agreement. If a Margin Account Termination Event is designated or occurs under the Margin Account Agreement, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of the notice designating such event. If a Mandatory Redemption Event occurs, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of the notice designating such event.

The Issuer may suspend the issuance of further ETP Securities at any time. If a Subscription Suspension Event occurs, the Issuer shall not be obliged to accept any Subscription Orders for the ETP Securities with effect from the date of suspension specified in the relevant notice to the Determination Agent and the Authorised Participants until such time (if any) as the Issuer notifies such Programme Parties that it shall recommence the issue of further Tranches of the ETP Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Valuation Date following the date of such notice. The Issuer shall give notice to ETP

Securityholders in accordance with Condition 17 of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

In relation to any Subscription Order which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date of the occurrence of an Event of Default, each such Subscription Order shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.

In relation to any Subscription Order which is valid but in respect of which the ETP Securities are pending issue and settlement to the relevant Authorised Participant as at the Mandatory Redemption Date, the Final Redemption Date or the date of delivery of an Event of Default Redemption Notice (due to the Subscription Settlement Date not having occurred at such date, the relevant Authorised Participant not having delivered in full the relevant subscription amount on a Subscription Settlement Date falling prior to such date, or otherwise), any such Subscription Order shall automatically be cancelled with effect from such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable).

If at any time after the occurrence of the Subscription Settlement Date in respect of which the relevant Authorised Participant has not paid in full the related subscription amount a Mandatory Redemption Event occurs, the Final Redemption Date occurs or an Event of Default Redemption Notice is delivered, the ETP Securities issued on any such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). ETP Securities requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.

In relation to any Subscription Order, in satisfaction of the relevant subscription amount, the Issuer may agree with the relevant Authorised Participant to accept the delivery to, or to the order of, the Issuer of Reference Assets which the Determination Agent determines have a value on the Subscription Settlement Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to or greater than the subscription amount.

Any new securities forming a single Series with the ETP Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Documents will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Documents without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of ETP Securities and shall be secured by the Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to "**Secured Creditors**", "**Secured Property**", "**Secured Obligations**" and "**ETP Securities**" shall be construed accordingly.

17. **Notices**

17.1 All notices to holders of ETP Securities shall be valid if:

(A) they are:

- (1) published in daily newspapers with general circulation in Ireland (which is expected to be in the *Irish Times*) and in the United Kingdom (which is expected to be in the *Financial Times*); and/or
- (2) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
- (3) published on the Issuer's Website;

(B) for so long as the ETP Securities are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or

other relevant authority; and

(C) for so long as the ETP Securities are in global form, notices required to be given in respect of the ETP Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the ETP Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

17.2 If, in the opinion of the Trustee, any such publications above are not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in the relevant country.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

18. **Relevant Clearing System**

None of the Issuer, the Trustee, the Agents or the Margin Loan Provider will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

19. **Governing law and jurisdiction**

19.1 **Governing law**

The Trust Deed and the ETP Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Irish law.

19.2 **Jurisdiction**

The courts of Ireland are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any ETP Securities and, accordingly, any legal action or proceedings arising out of or in connection with any ETP Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the ETP Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

FORM OF FINAL TERMS

Pro Forma Final Terms for an issue by Leverage Shares Public Limited Company under its Collateralised Exchange Traded Securities Programme

[Prohibition of sales to EEA retail investors: the ETP Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**");
- (b) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- (c) not a qualified investor as defined in Regulation (EU) 2017/1129.

Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRiIPs Regulation**") for offering or selling the ETP Securities or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the ETP Securities or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRiIPs Regulation.]¹

[The MIFID II product governance legends below are not applicable where a target market assessment is not being included, otherwise one of the following legends should be selected.]

²**[MIFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the ETP Securities has led to the conclusion that: (i) the target market for the ETP Securities is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; and (ii) all channels for distribution of the ETP Securities to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the ETP Securities (a "**distributor**") should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

OR

³**[MIFID II product governance / Retail investors, professional investors and ECPs target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the ETP Securities has led to the conclusion that: (i) the target market for the ETP Securities is eligible counterparties, professional clients and retail clients, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")][MiFID II]; **EITHER** ⁴[and (ii) all channels for distribution of the ETP Securities are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution

¹ This legend is required if "Prohibition of Sales to EEA Retail Investors" is specified as being "Applicable" (See Part B, Paragraph 9).

² Include this legend if following the ICMA 1 "all bonds to all professionals" target market approach.

³ Include this legend if parties have agreed to a retail target market. This may be the case if (1) following the ICMA 2 retail approach which would only be the case in relation to a low denomination issue and for bonds which are not ESMA complex or certain ESMA complex bonds only (as explained in the ICMA 2 paper) (2) a more detailed bespoke target market assessment and review is intended or (3) an alternative proportionate approach is to be followed.

⁴ Include for bonds that are not ESMA complex.

services]⁵ **OR** ⁶(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the ETP Securities to retail clients are appropriate - investment advice[, / and] portfolio management[, / and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. Any person subsequently offering, selling or recommending the ETP Securities (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the ETP Securities.]

[EU Benchmark Regulation: Amounts payable under the ETP Securities are calculated by reference to [LIBOR]/[EURIBOR]/[EONIA], which is provided by [ICE Benchmark Administration Limited]/[the European Money Markets Institute]. As at the date of these Final Terms, [ICE Benchmark Administration Limited]/[the European Money Markets Institute] [does not]/appear[s] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (Regulation (EU) 2016/1011) (the "**BMR**").]

[As far as the Issuer is aware, [LIBOR]/[EURIBOR]/[EONIA] [does]/[do] not fall within the scope of the BMR by virtue of the transitional provisions in Article 51 of the BMR, such that [ICE Benchmark Administration Limited]/[the European Money Markets Institute] [is]/[are] not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).]

Final Terms dated: []

Leverage Shares Public Limited Company

(a public company incorporated with limited liability in Ireland)

LEI: 635400TLFJSNHVSOFH59

Issue of

[*number*] [*Series*] ETP Securities

pursuant to the

Collateralised Exchange Traded Securities Programme

(the "**ETP Securities**")

This document constitutes the Final Terms of the ETP Securities described herein.

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of ETP Securities in any Member State of the EEA (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the ETP Securities. Accordingly, any person making or intending to make an offer in that Relevant Member State of the ETP Securities may only do so in circumstances in which no obligation arises for the Issuer or any dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor any dealer has authorised, nor do they authorise, the making of any offer of the ETP Securities in any other circumstances.⁷]

⁵ This list may not be necessary, especially for bonds that are not ESMA complex where all channels of distribution may be appropriate. It reflects the list used in the examples in the ESMA Guidelines.

⁶ Include for certain ESMA complex bonds. This list may need to be amended, for example, if advised sales are deemed necessary. If there are advised sales, a determination of suitability will be necessary. In addition, if the Notes constitute "complex" products, pure execution services are not permitted to retail without the need to make the determination of appropriateness required under Article 25(3) of MiFID II.

⁷ *Include this legend for an exempt offer of [ETP Securities] with a denomination of less than €100,000 is anticipated.*

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of ETP Securities in any Member State of the EEA (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offers of the ETP Securities. Accordingly any person making or intending to make an offer of the ETP Securities may only do so:

- (i) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- (ii) in those Non-exempt Offer Jurisdictions mentioned in the following paragraph, provided such person is [one of the persons mentioned in the following paragraph] and that such offer is made during the Offer Period specified for such purpose therein.

An offer of the ETP Securities may be made by the Issuer or by [] other than pursuant to Article 1 of the Prospectus Regulation in [] ("**Non-exempt Offer Jurisdictions**") during the period from [] until [] (the "**Offer Period**").

The Issuer has not authorised, and does not authorise, the making of any offer of ETP Securities in any other circumstances.^{8]}

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

PART A – CONTRACTUAL TERMS

Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 5 February 2020 [and the supplement(s) to it dated []] (the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the ETP Securities described herein and has been prepared for the purposes of Article 8 of the Prospectus Regulation and must be read in conjunction with the Base Prospectus (and any supplement thereto).

Full information on Leverage Shares Public Limited Company (the "**Issuer**") and the offer of the ETP Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus (together with any supplement thereto) is available on the website of the Issuer at www.leverageshares.com. A summary of the ETP Securities to which these Final Terms relate is included as an Annex hereto. Terms used in these Final Terms bear the same meaning as in the Base Prospectus.

The particulars in relation to this issue of ETP Securities are as follows: [Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs. Italics denote guidance for completing the Final Terms.]

⁸ *Include this legend for a non-exempt offer.*

1. Series of ETP Securities to which these Final Terms apply: []
2. Tranche: []
3. Number of ETP Securities to which these Final Terms apply: []
4. Issue Date: []
5. Series Issue Date: [*insert date of issuance of the initial Tranche of the Series*]
6. Issue Price: [] per ETP Security
7. Principal Amount: [] per ETP Security
8. Relevant Currency: [USD/EUR/GBP/CHF/HKD/JPY]
9. Final Redemption Date: [] [2069].
10. Denomination: [Principal Amount]
11. Investment Objective [To track the [Index]]/[To pursue the [FANG+ Strategy]]/[FANG+-1x Daily Short Strategy]]/[FANG+2x Daily Leveraged Strategy]
12. Exposure Type [Leveraged Exposure/Short Exposure/Normal Exposure]
13. Leverage Factor []
14. Rebalance Period [*Daily/weekly ending on the [●] Rebalance Business Day of the week /monthly ending on the [●] Rebalance Business Day of the month /other period*] [Not Applicable]
15. Exchange: []
16. Related Exchange: []
17. Multiple Exchange: [Applicable]/[Not Applicable]
18. Reference Asset: [*The Reference Asset in respect of the ETP Securities is the following equity security: Advanced Micro Devices, Inc./Alibaba Group Holding Ltd./Alphabet Inc./Amazon.com Inc./Apple Inc./Citigroup Inc./Facebook Inc./Goldman Sachs Group Inc./JPMorgan Chase & Co./Micron Technology, Inc./Microsoft Corporation/Visa Inc./Netflix Inc./NVIDIA Corporation /Salesforce.com,Inc./ Tesla Inc./Twitter Inc./Uber Technologies Inc.*] [*The Reference Asset in respect of the ETP Securities is the following futures contract: NYSE FANG+ Index Futures Contract*]
19. Severe Disruption Event: []/[Not Applicable]

- | | | |
|-----|------------------------------------|--|
| 20. | Form of ETP Securities: | [Bearer – NGN form]
[Bearer – CGN form]
[Exchangeable Bearer – NGN form]
[Exchangeable Bearer – CGN form]
[Registered]
[Uncertificated Registered Securities] |
| 21. | Portfolio Administrator: | [Interactive Brokers UK Limited]/[GWM Limited] |
| 22. | Portfolio Administration Agreement | [First Portfolio Administration Agreement]/[Second Portfolio Administration Agreement] |
| 23. | Margin Account Agreement: | [First Margin Account Agreement]/[Second Margin Account Agreement] |
| 24. | Margin Account Security Agreement: | [English Law Security Agreement and First New York Law Security Agreement]/[Second New York Law Security Agreement] |

The Issuer accepts the responsibility for the information contained in these Final Terms. [] has been extracted from []. The Issuer confirms that such additional information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [], no facts have been omitted which would render the reproduced information inaccurate or misleading]

PART B – OTHER INFORMATION

- 1. Listing and admission to trading:** [Application has been made to the Financial Conduct Authority (“FCA”) for the ETP Securities to which these Final Terms apply to be admitted to the Official List of the FCA. Application has been made to the London Stock Exchange for the ETP Securities to which these Final Terms apply to be admitted to trading on the Main Market of the London Stock Exchange.]
- [Application has been made to Cboe Europe Limited (“Cboe”) for the ETP Securities to which these Final Terms apply to be admitted to listing and trading on Cboe’s recognised investment exchange, regulated by the FCA.]
- [Application has been made to the Frankfurt Stock Exchange (*Frankfurter Wertpapierbörse*) for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange.]
- [Application has been made to the Italian Stock Exchange (*Borsa Italiana*) for the Series of ETP Securities to which these Final Terms apply to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the [Italian Stock Exchange] / [SeDeX].]
- [Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Euronext Paris, the regulated market operated by Euronext Pars.]
- [Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Euronext Amsterdam, the regulated market operated by Euronext Amsterdam.]
- [Application has been made for the Series of ETP Securities to which these Final Terms apply to be admitted to listing and trading on Euronext London, the regulated market operated by Euronext London.]
- 2. Notification** The Central Bank has provided the competent authorities of the United Kingdom, Italy, Germany, France, Spain and the Netherlands with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.
- 3. Interests of natural and legal persons involved in the issue**
- [So far as the Issuer is aware, no person involved in the offer of the ETP Securities has an interest material to the offer]
- Names and addresses of [] additional Paying Agent(s) (if any):
- 4. Distribution**
- Non-exempt Offer: [Not Applicable] [An offer of the ETP Securities may be made by the Authorised Offerors specified in Paragraph 8 of Part B below other than pursuant to Article 1 of the

Prospectus Regulation in Ireland, the United Kingdom, Italy, Germany, France, Spain and the Netherlands ("**Non-exempt Offer Jurisdictions**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [] Business Days thereafter"] ("**Offer Period**"). See further Paragraph 8 of Part B below.]

[N.B. Consider any local regulatory requirements necessary to be fulfilled as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the prospectus (and any supplement) has been notified/passported]

Additional Selling [Not Applicable]
Restrictions:

5. Information about the past and the further performance of an Index and its volatility⁹

Information about the past [Include name of the Index and details of where information and further performance of about the past and future performance of the Index and its the Index and its volatility can volatility can be obtained.]/[N/A] be obtained from:

6. Information concerning the Issuer of the Reference Asset and the Reference Asset¹⁰

Address of Issuer of the []
Reference Asset:

Country of Incorporation of []
the Issuer of the Reference
Asset:

[]
Nature of Business of the
Issuer of the Reference
Asset:

[]
Regulated market or
equivalent third country
market which the Reference
Asset is admitted to trading:

[]
Description of the market in
which the Reference Asset is
traded:

[]
Date of establishment of
market in which the
Reference Asset is traded:

[]
How price information is
published in respect of the
market on which the
Reference Asset is traded:

9. Only applicable to the extent that the Investment Objective of the Series is specified to be Index

10. Only applicable to the extent that the Reference Asset is an equity security, otherwise this paragraph 26 shall be deleted.

An indication of daily trading []
volumes:

Standing of the market on []
which the Reference Asset is
traded and the market's
regulatory authority:

Frequency of publication of []
prices of the Reference
Asset:

Main accounts relating to the [The Reference Asset will be held by the [Custodian]/[Margin
Reference Asset: Loan Provider] in the Margin Account.]/[other]

7. Operational Information

ISIN Code: []

Common Code: []

Names and addresses of []
additional Paying Agent(s) (if
any):

8. Terms and Conditions of the Offer¹¹

Offer Price: [Issue Price][specify]

Conditions to which the offer [Not Applicable/[insert any applicable additional conditions to
is subject: offer]/Offers of the ETP Securities are conditional upon their
issue and, as between the Authorised Offeror(s) and their
customers, any further conditions as may be agreed between
them]

Description of the application [Not Applicable/give details]
process:

Description of possibility to [Not Applicable/give details]
reduce subscriptions and
manner for refunding excess
amount paid by applicants:

Details of the minimum [Not Applicable/give details]
and/or maximum amount of
application:

Details of the method and [Not Applicable/The ETP Securities will be issued on the Issue
time limited for paying up and Date against payment to the Issuer of the net subscription
delivering the ETP Securities: moneys]

Manner in and date on which [Not Applicable/give details]
results of the offer are to be
made public:

Procedure for exercise of any [Not Applicable/give details]
right of pre-emption,
negotiability of subscription
rights and treatment of

¹¹ Only applicable to non-exempt offers; otherwise this section 8 will be deleted.

subscription rights not exercised:

Whether tranche(s) have been reserved for certain countries: [Not Applicable/Offerors may be made by offerors authorised to do so by the Issuer in [] to any person []. In other EEA countries, offers will only be made pursuant to an exemption from the obligation under the Prospectus Regulation.]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None/give details]

Name and address of financial intermediary/ies authorised to use the Base Prospectus, as completed by these Final Terms (the "**Authorised Offerors**"): BNP Paribas Arbitrage S.N.C. [and] [each Authorised Participant expressly named as an Authorised Offeror on the Issuer's website (www.leverageshares.com).

Prohibition of Sales to EEA Retail Investors: [Applicable/Not applicable]

ANNEX – ISSUE SPECIFIC SUMMARY

[Issue specific summary of the ETP Securities to be inserted if (i) the ETP Securities are to be listed on a regulated market in the EEA or (ii) publicly offered in a member state of the EEA]

SETTLEMENT AND CLEARING OF ETP SECURITIES

Custodial and depository or safekeeping links have been (or will be) established with Euroclear, Clearstream, Luxembourg and CREST to facilitate the initial issuance of ETP Securities. Transfers within Euroclear, Clearstream, Luxembourg and CREST will be in accordance with the usual rules and operating procedures of the relevant system.

CREST

The Issuer is a participating issuer in the system of paperless settlement trades and the holding of uncertificated securities administered by Euroclear UK & Ireland Limited ("**CREST**"). CREST enables securities (including debt securities) to be evidenced otherwise than by written instrument, and to be transferred electronically with effective delivery versus payment and the ETP Securities are participating securities. To the extent that the ETP Securities are issued as Uncertificated Registered Securities in CREST, final settlement of transactions in such ETP Securities will take place once the transaction is recorded on the register held by the Registrar.

Please refer to Condition 3.7 of the ETP Securities for information regarding clearing and settlement through CREST.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the ETP Securities held through Euroclear and Clearstream, Luxembourg will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SUMMARY OF PROVISIONS RELATING TO THE ETP SECURITIES WHILE IN GLOBAL FORM

A Series of ETP Securities may, subject to all applicable legal and regulatory requirements, be issued in Tranches or Series comprising either Bearer Securities, Exchangeable Bearer Securities, Registered Securities or Uncertificated Registered Securities as specified in the applicable Final Terms. The summary that follows is only in relation to Bearer Securities (including Exchangeable Bearer Securities) and Registered Securities.

Bearer Securities may be issued in the new global note form (a "**New Global Note**" or "**NGN**") or, if not intended to be issued in NGN form, will be issued in classic global note form (a "**Classic Global Note**" or "**CGN**") as specified in the applicable Final Terms, or in such other form as the relevant parties may agree.

The NGN form has been introduced to allow for the possibility of ETP Securities being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the "**Eurosystem**") and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

On 13 June 2006 the European Central Bank (the "**ECB**") announced that ETP Securities in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ESCB credit operations" of the Eurosystem, provided that certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for notes in NGN form were to be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 would only be eligible as collateral for Eurosystem operations if the NGN form was used.

Following the introduction of the NGN form in June 2006, the Eurosystem required the international central securities depositories (including Euroclear and Clearstream, Luxembourg) to review the custody arrangements for international debt securities in global registered form. Further to this review, the New Safekeeping Structure has been introduced to allow for the possibility of securities being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the Eurosystem and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Initial Issue of ETP Securities

If the Bearer Securities are stated in the applicable Final Terms to be issued in NGN form, the Bearer Securities will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Bearer Securities or the Registered Securities with the Common Safekeeper does not necessarily mean that the ETP Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Bearer Securities which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a common depository.

If the Bearer Security is a CGN, upon the initial deposit of a Bearer Security with a common depository for Euroclear and Clearstream, Luxembourg (the "**Common Depository**") or registration of Registered Securities in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the related Registered Security to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of ETP Securities equal to the nominal amount thereof for which it has subscribed and paid. If the Bearer Security is a NGN, the nominal amount of the ETP Securities shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of ETP Securities represented by the Bearer Security and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

ETP Securities that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, ETP Securities that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, or any other clearing system ("**Alternative Clearing System**") as the holder of an ETP Security represented by a Bearer Security or Registered Security must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Bearer Security or the holder of the underlying Registered Securities, as the case may be, and in relation to all other rights arising under the Bearer Security or Registered Security, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the ETP Securities for so long as the ETP Securities are represented by such Bearer Security or Registered Security and such obligations of the Issuer will be discharged by payment to the bearer of such Bearer Security or the holder of the underlying Registered Securities, as the case may be, in respect of each amount so paid.

Exchange

Bearer Securities

Each Bearer Security will be exchangeable, free of charge to the holder, in whole but not in part, for Definitive Securities only if the Bearer Security is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

On or after any due date for exchange, the holder of a Bearer Security may surrender such Bearer Security to or to the order of the Issuing and Paying Agent. In exchange for any Bearer Security, the Issuer will deliver, or procure the delivery of, an equal aggregate number of duly executed and authenticated Definitive Securities. The Issuer will procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Securities**" means, in relation to any Bearer Security, the definitive Bearer Securities for which such Bearer Security may be exchanged. Definitive Securities will be security printed. On exchange in full of each Bearer Security, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Securities.

Registered Securities

If the Final Terms state that the ETP Securities are to ETP Securities represented by a Registered Security on issue, the following will apply in respect of transfers of ETP Securities held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the ETP Securities within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the ETP Securities may be withdrawn from the relevant clearing system.

Transfers of the holding of ETP Securities represented by any Registered Security may only be made in part if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

Provided that, in the case of the first transfer of part of a holding pursuant to paragraph (i) or (ii) above, the registered holder has given the Registrar not less than 30 days' notice at its specified office of the registered holder's intention to effect such transfer.

Amendments to Conditions while ETP Securities in global form

The Global Securities contain provisions that apply to the ETP Securities that they represent, some of which modify the effect of the Conditions set out in this Base Prospectus. The following is a summary of those provisions:

Meetings

For the purposes of any meeting of ETP Securityholders, the holder of the ETP Securities represented by a Global Security shall be treated as being two persons for the purposes of any quorum requirements of a meeting of ETP Securityholders and, at any such meeting, the holder of a Global Security shall be treated as having one vote in respect of each ETP Security represented by such Global Security.

Cancellation

Cancellation of any ETP Security represented by a Global Security that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the number of ETP Securities represented by the relevant Global Security which shall always represent the aggregate number of ETP Securities outstanding from time to time.

Issuer's call option

Any option of the Issuer provided for in the Conditions of any ETP Securities while such ETP Securities are represented by a Global Security shall be exercised by the Issuer giving notice to the ETP Securityholders within the time limits set out in and containing the information required by the Conditions.

NGN nominal amount

Where the ETP Securities of a Series are represented by a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the ETP Securities, as the case may be, entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the ETP Securities represented by such Global Bearer Security shall be adjusted accordingly.

Trustee's Powers

In considering the interests of ETP Securityholders while any Global Security is held on behalf of a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Security and may consider such interests as if such accountholders were the holders of the ETP Securities represented by such Global Security.

SUMMARY OF THE PROGRAMME DOCUMENTS

The following are summaries of certain provisions of the principal agreements entered into by the Issuer in relation to the Programme which are qualified in its entirety by reference to the detailed provisions of each such agreement. The following summaries do not purport to be complete, and prospective investors must refer to each programme agreement for detailed information regarding such agreement.

Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in the Conditions.

Trust Deed

The ETP Securities of each Series shall be constituted by the Trust Deed, which shall comprise the amended and restated master trust deed originally dated the Programme Effective Date and as most recently amended and restated on 5 February 2020 and made between the Issuer and the Trustee, as further amended, supplemented, novated and/or replaced from time to time, (the "**Master Trust Deed**"), as supplemented and amended by a supplemental trust deed dated the Issue Date relating to that Series and dated the date of issuance of the first Tranche of ETP Securities of such Series and made between the Issuer and the Trustee (the "**Supplemental Trust Deed**"). Each Trust Deed will be governed by Irish law.

The relevant Trust Deed contains the provisions setting out the various obligations of the Issuer and the Trustee with respect to the relevant Series of ETP Securities, and will set out the covenants given by the Issuer in relation to such Series, including, without limitation, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the applicable Trust Deed (most importantly, in relation to the issue and performance of the ETP Securities) and its duties with respect to its obligations under the ETP Securities. Each Trust Deed will also set out the basis for the remuneration and indemnification of the Trustee in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties.

Any trustee in respect of a Series of ETP Securities may retire upon giving not less than 60 calendar days' prior written notice to the Issuer, and the ETP Securityholders may by Extraordinary Resolution remove any trustee, provided that the retirement or removal of a sole trust corporation will not be effective until a trust corporation is appointed as successor trustee. If a sole trust corporation in respect of a Series of ETP Securities gives notice of retirement or an Extraordinary Resolution is passed for its removal, the Issuer will use all reasonable endeavours to procure that another trust corporation is appointed as the Trustee for such Series but if it fails to do so before the expiry of such 60 calendar day notice period, the Trustee will have the power to appoint a new trustee.

Pursuant to the Trust Deed, together with the Margin Account Security Agreement (as described below) in respect of a Series of ETP Securities, the Secured Obligations of the Issuer relating to that Series shall be secured in favour of the Trustee, for its benefit and the benefit of the Secured Creditors, by the security over the Secured Property, as described in the section of this Base Prospectus headed "*Security Arrangements*".

The Trust Deed is available on the Issuer's website at www.leverageshares.com.

The Margin Account Agreement

The following margin account agreements have been or will be entered into with respect to the Programme. The Final Terms shall specify whether the First Margin Account Agreement (as defined below) or the Second Margin Account Agreement (as defined below) applies with respect to a Series of ETP Securities. The defined term "**Margin Account Agreement**" herein shall mean with the First Margin Account Agreement or the Second Margin Account Agreement, as applicable.

- (i) The Issuer has entered into a side letter dated 5 December 2017 with the Margin Loan Provider, the Portfolio Administrator, the Custodian and the Trustee (the "**Side Letter**"), which amends and supplements the terms of the customer agreement dated 5 December 2017 between the Issuer, the Margin Loan Provider, the Portfolio Administrator and the Custodian (the "**Customer Agreement**"). Taken together, the Customer Agreement and the Side Letter constitute the "**First Margin Account Agreement**". The First Margin Account Agreement is governed under the law of England and Wales. The First Margin Account Agreement shall take effect as a separate and independent agreement in relation to each Series of ETP Securities issued under the Programme in respect of which Interactive

Brokers (UK) Limited and Interactive Brokers LLC are appointed as the Portfolio Administrator, the Margin Loan Provider and the Custodian respectively.

The First Margin Account Agreement applies in relation to each of the Series of ETP Securities in respect of which Interactive Brokers (UK) Limited and Interactive Brokers LLC enter into a confirmation of appointment in the form set out in Annex 2 to the Side Letter.

- (ii) On or before the Series Issue Date of the first Series of ETP Securities to which the Second Margin Account Agreement is expressed in the relevant Final Terms to be applicable, the Issuer will enter into a New York law governed customer agreement with the Margin Loan Provider (the "**Second Margin Account Agreement**").

The Second Margin Account Agreement sets out, amongst other things, the terms on which the Margin Loan Provider will provide certain securities accounts, margin accounts, collateral accounts, margin loans and securities loans to the Issuer in respect of each Series of ETP Securities.

The Margin Loan Provider does not guarantee payment by the Issuer to the ETP Securityholders of amounts due in respect of the ETP Securities, and no ETP Securityholder will have any claim against any Margin Loan Provider in respect of amounts due in respect of any ETP Securities.

Margin Account Security Agreement

On 5 February 2020 the Issuer and Trustee entered into an English law governed security agreement pursuant to which the Issuer has granted security interests in favour of the Trustee for its benefit and for the benefit of the Secured Creditors over the Issuer's rights, title, interest and benefit under the First Margin Account Agreement and the Issuer's rights as against the Margin Loan Provider and Custodian under the First Margin Account Agreement to the extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies (the "**English Law Margin Account Security Agreement**").

On 5 February 2020 the Issuer and Trustee entered into an New York law governed security agreement pursuant to which the Issuer has granted a charge in favour of the Trustee in all of the Issuer's present and future right, title, interest in to and all of the Collateral Assets held in the Margin Account to extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies (the "**First New York Law Margin Account Security Agreement**").

On or before the Series Issue Date of the first Series of ETP Securities to which the Second Margin Account Agreement is specified in the relevant Final Terms to be applicable, the Issuer and Trustee will enter into a New York law governed security agreement pursuant to which the Issuer will grant security interests in favour of the Trustee for its benefit and for the benefit of the Secured Creditors over the Issuer's rights, title, interest and benefit under the Second Margin Account Agreement and the Issuer's rights as against the Margin Loan Provider under the Second Margin Account Agreement to the extent that they relate to Series of ETP Securities where the Second Margin Agreement applies (the "**Second New York Law Margin Account Security Agreement**").

The Final Terms shall specify whether (i) the English Law Margin Account Security Agreement and the First New York Law Margin Account Security Agreement; or (ii) the Second New York Law Margin Account Security Agreement applies with respect to a Series of ETP Securities. The defined term "**Margin Account Security Agreement**" herein shall mean either the English Law Margin Account Security Agreement and the First New York Law Margin Account Security Agreement or the Second New York Law Margin Account Security Agreement, as applicable.

Agency Agreement

The Issuer, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar and the Arranger have entered into an Irish law governed amended and restated agency agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (as further amended, supplemented, novated and/or replaced from time to time), (the "**Agency Agreement**") setting out the principal terms on which the Issuing and Paying Agent, the CREST Settlement Agent and the Registrar (the "**Agents**") may be appointed by the applicable Supplemental Trust Deed to act as the Agents in respect of a Series of ETP Securities.

The Agency Agreement sets out the duties and obligations of the relevant Agents in relation to (i) the issue, payment, cancellation and listing of the ETP Securities and (ii) the basis for the remuneration and indemnification of each Agent appointed in respect of the relevant Series in respect of their respective duties.

The Agency Agreement also sets out the terms for the appointment, resignation (by at least 90 calendar days' prior notice to the Issuer, the Arranger, the Trustee and the other Agents) and termination of the appointment of the Issuing and Paying Agent and, as applicable, the CREST Settlement Agent and the Registrar (by at least 90 calendar days' prior notice from the Issuer or on the occurrence of certain events, such as where such agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Determination Agency Agreement

The Issuer, the Trustee, the Determination Agent, and the Arranger entered into an Irish law governed amended and restated determination agency agreement originally dated 30 August 2019 and as amended and restated on 5 February 2020 (the "**Determination Agency Agreement**").

The Determination Agency Agreement sets out the duties and obligation of the Determination Agent in relation (i) to making such non-discretionary calculations and give such notices of the outcome thereof as expressly required to be performed by it under the Programme Documents, and (ii) as soon as practicable on each date on which or at such time at which the Determination Agent is expressly required under the Programme Documents to calculate any amount, price, rate or value to give any notice relating thereto, making such calculations and delivering such notices expressly required to be given by it (in its capacity as Determination Agent) in accordance with the Programme Documents and obtaining any quotation, rate or value required in connection therewith as soon as reasonably practicable or as otherwise specified in the Programme Documents.

The Determination Agency Agreement also sets out the terms for the appointment and termination of the appointment of the Determination Agent i) by at least 60 days' prior notice from any party to each other party; ii) by any party giving prior written notice in writing to the other parties that such party has materially failed to perform its duties and obligations and has failed to remedy such failure within 60 days of being so notified; iii) by any party giving 60 days prior notice in writing to the other parties prior to the "liquidation" of any one or more Series; or iv) immediately on the occurrence of certain events, such as where the Determination Agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

Portfolio Administration Agreement

The following portfolio administration agreements have been entered into with respect to the Programme. The Final Terms shall specify which portfolio administration agreement applies with respect to a Series of ETP Securities. The defined term "**Portfolio Administration Agreement**" herein shall mean either the First Portfolio Administration Agreement (as defined below) or the Second Portfolio Administration Agreement (as defined below), as applicable.

- (A) The Issuer, the Trustee, the Custodian and Interactive Brokers (UK) Limited have entered into an Irish law governed amended and restated portfolio administration agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (the "**First Portfolio Administration Agreement**").

Pursuant to the terms of the First Portfolio Administration Agreement, for each Series of ETP Securities to which the First Portfolio Administration Agreement is applicable, the net proceeds of the issuance of such Series or Tranche of ETP Securities will be deposited with the Custodian, and the Portfolio Administrator will procure that such net proceeds of issuance and the Leveraged Investment Amount (as defined below) shall be invested in the Reference Assets of the relevant Index of such Series of ETP Securities, which shall be held by the Custodian on behalf of the Issuer in the Margin Account.

The "**Leveraged Investment Amount**" will be the amount of margin that the Margin Loan Provider will extend by way of credit to the Issuer in the Relevant Currency equal to the product of (i) the difference between the Leverage Factor and one and (ii) the net proceeds of the issuance.

- (B) On 5 February 2020 the Issuer, the Trustee, GWM Limited and the Arranger entered into an Irish law governed portfolio administration agreement (the "**Second Portfolio Administration Agreement**").

Pursuant to the terms of the Second Portfolio Administration Agreement, for each Series of ETP Securities to which the Second Portfolio Administration Agreement is applicable, the net proceeds of issuance of such Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of such Series, will be paid to the Margin Loan Provider, on behalf of the Issuer, and invested as follows:

- in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate (to the degree practicable) the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- in the case of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets.
- in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor; and
- in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy of such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

Authorised Participant Agreement

The Issuer has entered into an amended and restated authorised participant agreement with the Initial Authorised Participant originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (the "**Authorised Participant Agreement**"). Such Authorised Participant Agreement sets out the terms on which the Initial Authorised Participant will act as Authorised Participant in relation to each Series of ETP Securities issued by the Issuer under the Programme.

The Authorised Participant Agreement sets out the conditions for appointment, resignation ((i) if there is more than one Authorised Participant in respect of the relevant Series of ETP Securities by at least 30 calendar days' prior notice to the Issuer and each other Programme Party; (ii) if the Initial Authorised Participant is the

only Authorised Participant in respect of the relevant Series of ETP Securities by at least six months' prior notice to the Issuer and each other Programme Party; (iii) if the Issuer commits any material breach of its obligations under the Authorised Participant Agreement and such breach (if capable of being remedied) is not cured within 15 calendar days of becoming aware of, or if notified of such breach, immediately; or (iv) the Initial Authorised Participant determines, in good faith and in a commercially reasonable manner, that the conduct of the Issuer or any other Programme Party is materially detrimental to the reputation or development potential of the business of the Initial Authorised Participant or its affiliates or the relationships of those entities with third parties, immediately) and termination (by the Issuer with immediate effect if an Authorised Participant Bankruptcy Event occurs and in any other circumstance by at least 30 calendar days' prior notice) of the appointment of the relevant Authorised Participant, unless there is more than one Authorised Participant, in which case the Issuer may terminate the appointment of any Authorised Participant with immediate effect for a material breach of its obligations which to the extent such breach is capable of being remedied is not remedied within 15 calendar days of the relevant Authorised Participant becoming aware of, or its receiving notice from the Issuer, the Issuing and Paying Agent, the Margin Loan Provider or the Trustee of such breach or if the Issuer determines, in good faith and in a commercially reasonable manner, that the conduct of such Authorised Participant is materially detrimental to the reputation or development potential of the business of the Issuer or any other Programme Party or the relationships of those entities with third parties). The Authorised Participant Agreement includes an indemnity from the Issuer relating to the representations and warranties given by the Issuer in such agreement.

Operating Procedures Agreement

The Issuer, the Margin Loan Provider, Interactive Brokers (UK) Limited, GWM Limited, the Custodian, the Initial Authorised Participant, the Trustee, the Issuing and Paying Agent, the CREST Settlement Agent, the Registrar and the Determination Agent have entered into an Irish law governed amended and restated operating procedures agreement originally dated the Programme Effective Date and as amended and restated on 5 February 2020 (to which each Additional Authorised Participant has acceded and to which any further Eligible Authorised Participant which accedes to the Programme after the Programme Effective Date will be required to accede) (the "**Operating Procedures Agreement**") setting out the relevant procedures by which any Authorised Participant may subscribe for ETP Securities of a Series from the Issuer, or redeem ETP Securities of a Series to the Issuer.

Broker Dealer of Record Agreement

On 5 February 2020 the Issuer, the Trustee, the Broker Dealer of Record, and the Arranger entered into an Irish law governed broker dealer of record agreement (the "**Broker Dealer of Record Agreement**") pursuant to which the Broker Dealer of Record has been appointed to provide certain broker dealer related services and support for the Issuer.

Under the terms of the Broker Dealer of Record Agreement, the Broker Dealer of Record agrees to indemnify the Issuer against any loss, liability, cost, claim, action, demand or expense which the Issuer may incur as a result of any claim against the Issuer by the Margin Loan Provider in respect of any Series which the Second Margin Account Agreement applies to (the "**Relevant Series**"). Furthermore, pursuant to the terms of the Broker Dealer of Record Agreement, the Broker Dealer of Record undertakes to maintain a minimum capital equal to the value of 5% of the Collateral Assets of the Largest Series. The Largest Series means any Relevant Series, the Collateral Assets of which has the highest value of all Relevant Series in issue at any time.

Corporate Services Agreement

The Issuer and Apex IFS Limited (the "**Corporate Administrator**") have entered into an Irish law governed agreement dated 31 January 2017 (the "**Corporate Services Agreement**") pursuant to which the Issuer has appointed the Corporate Administrator to perform certain corporate administration services on its behalf.

The Corporate Services Agreement also sets out the terms for the appointment, resignation and termination of the appointment of the Corporate Administrator.

Services Agreement

The Issuer and Leverage Shares Management Company Limited (the "**Arranger**") have entered into an Irish law governed amended and restated services agreement originally dated 2 February 2018 and as amended and restated on 5 February 2020 (the "**Services Agreement**") pursuant to which the Issuer has engaged the Arranger to provide certain management, administration and arrangement services on its behalf.

In consideration of the Issuer establishing the Programme and issuing Series of ETP Securities from time to time, the Arranger has agreed to pay, as they become payable and in any event promptly following a request by the Issuer, all fees, costs and expenses incurred by the Issuer or the Arranger in relation to the Programme and the ETP Securities including the remuneration and expenses of the Issuing and Paying Agent, the Determination Agent, the CREST Settlement Agent, the Trustee, any Paying Agents, the Registrar, any Transfer Agent, any costs of listing and admission to trading of the Programme and/or each Series of ETP Securities, and other costs and expenses payable in relation to the Programme and the ETP Securities, in each case other than (a) any amounts payable to the Margin Loan Provider, the Custodian (where the First Portfolio Administration Agreement applies in relation to the relevant Series) and the Broker Dealer of Record; (b) Arranger Fee pursuant to the Services Agreement; (c) the relevant Funding and Brokerage Fees; (d) any taxes, fees and other amounts payable to the Irish Revenue Commissioners; and (e) the costs and expenses incurred in connection with the liquidation of the Collateral Assets.

USE OF PROCEEDS

The net proceeds of issuance of each Series of ETP Securities on the Issue Date of such Series, or from the issuance of a further Tranche of any Series, will be paid to the Custodian (where the First Portfolio Administration Agreement applies to the relevant Series) or the Margin Loan Provider (where the Second Portfolio Administration Agreement applies to the relevant Series), on behalf of the Issuer, and invested as follows:

- (a) in the case of Series of ETP Securities offering Leveraged Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance and the Leveraged Investment Amount will be invested in the Reference Assets referenced by the relevant Index or Investment Strategy of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the direction of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- (b) in the case of Series of ETP Securities offering Normal Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will be invested in the Reference Assets referenced by the relevant Index of such Series in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series. Amounts standing to the credit of the Margin Account from time to time, to the extent not required to be invested in Reference Assets to replicate the return of the Index or to pursue the Investment Strategy, may at the discretion of the Portfolio Administrator be maintained as cash balances in the Margin Account or invested in Ancillary Assets;
- (c) in the case of Series of ETP Securities offering Short Exposures where the Reference Assets are Physical Assets, the net proceeds of issuance will, at the discretion of the Portfolio Administrator be invested in Ancillary Assets or maintained as cash balances and will be held in the Margin Account along with the proceeds of short selling Reference Assets which shall be borrowed from the Margin Loan Provider in order to replicate (to the degree practicable) the return of the Index referenced by such Series, taking into account the applicable Leverage Factor; and
- (d) in the case of ETP Securities linked to an Index or which pursue an Investment Strategy where the Reference Assets are futures contracts, the net proceeds of issuance will be used to fund the related Margin Accounts as may be required to maintain positions in the Reference Assets in order to replicate (to the degree practicable) the return of the Index referenced by such Series or to pursue the Investment Strategy referenced by such Series, taking into account the applicable Leverage Factor. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

DESCRIPTION OF THE INDICES

The information in this section of the Base Prospectus has been extracted from information published by the Index Sponsor and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The websites set out below do not form part of this Base Prospectus. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer, the Authorised Participants, the Trustee, the Agents, the Margin Loan Providers or any other person that any information contained therein is correct at any time subsequent to the date of this Base Prospectus.

Purchasers of ETP Securities should conduct such independent investigation and analysis regarding the Indices, the relevant index sponsors and all other parties connected to the Indices from time to time as they deem appropriate to evaluate the merits and risks of an investment in the ETP Securities.

The complete set of rules of any Index and information on the performance of such Index are freely accessible on the Issuer's or the relevant Index Sponsor's website as detailed in the table below.

The governing rules of the relevant Index (including the methodology of the Index for the selection and the rebalancing of the components of the Index, description of market disruption events and adjustment rules) are based on a predetermined and objective criteria, which can be found in the following websites noted in the table below.

Index	Index Sponsor	Applicable Information Source
NYSE Leveraged 2x GOOG Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x AMZN Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x AAPL Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x C Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x FB Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x GS Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x JPM Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x MSFT Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x V Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x NFLX Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x NVDA Index	NYSE® Group, Inc.	https://www.nyse.com/indices
NYSE Leveraged 2x CRM Index	NYSE® Group, Inc.	https://www.nyse.com/indices
iSTOXX Leveraged 2x BABA Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 2x TSLA Index	STOXX Limited	https://www.stoxx.com/indices

iSTOXX Leveraged 2x TWTR Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 2x MU Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 2x AMD Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 2x UBER Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x AMZN Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x NVDA Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x AAPL Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x CRM Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x MSFT Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x FB Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x NFLX Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Leveraged 3x GOOG Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x BABA Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x TSLA Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x TWTR Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x MU Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x AMD Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x UBER Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x AMZN Index	STOXX Limited	https://www.stoxx.com/indices

iSTOXX Inverse Leveraged -1x NVDA Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x AAPL Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x CRM Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x MSFT Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x FB Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX -1x Inverse Leveraged NFLX Index	STOXX Limited	https://www.stoxx.com/indices
iSTOXX Inverse Leveraged -1x GOOG Index	STOXX Limited	https://www.stoxx.com/indices

The relevant Index Sponsor may, from time to time, exercise reasonable discretion as it deems appropriate to ensure Index integrity.

Indices to which Series of ETP Securities providing Leveraged Exposures may be linked may incorporate a margin interest that is intended to reflect the margin interest of the corresponding Series of ETP Securities that aims to track such Index.

Indices to which Series of ETP Securities providing Short Exposures may be linked may incorporate a securities lending fee that is intended to reflect the securities lending fees of the corresponding Series of ETP Securities that aims to track such Index or Investment Strategy.

Indices linked to Series of ETP Securities where the Reference Assets are futures contracts may incorporate brokerage fees that are intended to reflect the brokerage fees of the corresponding Series of ETP Securities that aims to track such Index.

The Issuer may from time to time issue other ETP Securities which are linked to the performance of an Index other than those listed above. In such circumstances, the Issuer shall prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “*Supplements*”.

STOXX Limited Disclaimer

STOXX Limited, Deutsche Börse Group and their licensors, research partners or data providers have no relationship to the Arranger and the Issuer, other than the licensing of the iSTOXX indices sponsored by STOXX Limited listed above (the “**LS iSTOXX Indices**”).

iSTOXX indices are tailored to a customer request or market requirement based on an individualised rule book which is not integrated into the STOXX Global index family.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not:

- » sponsor, endorse, sell or promote the ETP Securities;
- » recommend that any person invest in the ETP Securities or any other securities;
- » have any responsibility or liability for or make any decisions about the timing, amount or pricing of the ETP Securities;
- » have any responsibility or liability for the administration, management or marketing of the ETP Securities; or

- » consider the needs of the ETP Securities or the owners of the ETP Securities in determining, composing or calculating the LS iSTOXX Indices or have any obligation to do so.

STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty, and exclude any liability (whether in negligence or otherwise), in connection with the ETP Securities or their performance.

STOXX does not assume any contractual relationship with the purchasers of the ETP Securities or any other third parties.

Specifically,

- » STOXX, Deutsche Börse Group and their licensors, research partners or data providers do not give any warranty, express or implied, and exclude any liability about:
 - the results to be obtained by the ETP Securities, the owner of the ETP Securities or any other person in connection with the use of the LS iSTOXX Indices and the data included in the LS iSTOXX Indices;
 - the accuracy, timeliness, and completeness of the LS iSTOXX Indices and their data;
 - the merchantability and the fitness for a particular purpose or use of the LS iSTOXX Indices and their data; and
 - the performance of the ETP Securities generally.
- » STOXX, Deutsche Börse Group and their licensors, research partners or data providers give no warranty and exclude any liability, for any errors, omissions or interruptions in the LS iSTOXX Indices or their data;
- » Under no circumstances will STOXX, Deutsche Börse Group or their licensors, research partners or data providers be liable (whether in negligence or otherwise) for any lost profits or indirect, punitive, special or consequential damages or losses, arising as a result of such errors, omissions or interruptions in the LS iSTOXX Indices or their data or generally in relation to the ETP Securities, even in circumstances where STOXX, Deutsche Börse Group or their licensors, research partners or data providers are aware that such loss or damage may occur.

The licensing Agreement between the Arranger and STOXX is solely for their benefit and not for the benefit of the owners of the ETP Securities or any other third parties.

DESCRIPTION OF THE INVESTMENT STRATEGIES

The FANG+ Investment Strategies

The FANG+ Investment Strategies are a family of Investment Strategies providing Leveraged Exposure, Short Exposure and Normal Exposure to the FANG Futures (as described in the section of this Base Prospectus entitled “*Description of the Reference Assets*” under the heading “*Futures Contracts*”) listed on the ICE Futures U.S. Exchange.

They will do so by buying or selling, as the case may be, nearest term expiry FANG Futures (the “**Front Quarter Futures**”) and rolling the positions forward to the next expiry FANG Futures (the “**Second Quarter Futures**”) on the last trading day of the Front Quarter Futures.

The Portfolio Administrator will aim to roll the Front Quarter Futures at any time in the one hour before expiration of the contracts, but will retain flexibility to execute the roll to the Second Quarter Futures over a longer period on the last trading day of the Front Quarter Futures, taking into account liquidity conditions for the roll.

The net proceeds of issuance of the Series pursuing these Investment Strategies will be used to fund the related Margin Account as may be required to maintain positions (long or short, as they case may be) in the relevant FANG Futures in order to replicate (to the degree practicable) the relevant Investment Strategy. Amounts standing to the credit of the Margin Account may also, at the discretion of the Portfolio Administrator, be maintained as cash balances in the Margin Account or invested in Ancillary Assets.

The FANG+ Investment Strategies are “total return” strategies, so their performance is based on the futures price performance and the roll return, plus the applicable Daily Return on Collateral.

If the FANG Futures cease to exist or are, or would be, subject to an adjustment, or if the Portfolio Administrator informs the Issuer that a Market Disruption Event or an Exchange Disruption has occurred in respect of the FANG Futures, the Portfolio Administrator, acting in good faith and in a commercially reasonable manner, may: (a) effect no change to the Investment Strategy, (b) adjust the Investment Strategy in such manner as it deems appropriate including, but not limited to, replacing such futures contract with a replacement contract, or (c) if the Portfolio Administrator determines that none of subparagraphs (a) or (b) are appropriate or practicable, terminate the Investment Strategy and the related Series in accordance with its policies and procedures. The aim of the Portfolio Administrator when making any such operational adjustments is to ensure that, so far as possible, the basic principles and economic effect of the Investment Strategy are maintained.

FANG+ Strategy

The FANG+ Strategy aims to provides a Normal Exposure to the performance of the FANG Futures by buying the Front Quarter Futures and rolling them forward to the Second Quarter Futures.

FANG+ -1x Daily Short Strategy

The FANG+ -1x Daily Short Strategy aims to provide a daily Short Exposure to the performance of the FANG Futures by establishing short positions in the Front Quarter Futures and rolling them forward to the Second Quarter Futures.

FANG+ 2x Daily Leveraged Strategy

The FANG+ 2x Daily Leveraged Strategy aims to provide the daily performance of the FANG Futures multiplied by two. It will do so by establishing long positions in the Front Quarter Futures and rolling them forward to the Second Quarter Futures.

The Issuer may from time to time issue ETP Securities which are linked to the performance of Investment Strategies other than those listed above. In such circumstances, the Issuer shall prepare an updated Base Prospectus, or where permitted under the Prospectus Regulation, prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled “*Supplements*”.

SECURITY ARRANGEMENTS

The following description of the security arrangements relating to the Programme consists of a summary of certain provisions of the Trust Deed and the Margin Account Security Agreement relating to a Series of ETP Securities, and is qualified in its entirety by reference to the detailed provisions of each such Trust Deed and the Margin Account Security Agreement. The following summary does not purport to be complete, and prospective investors in ETP Securities of a Series must refer to the Trust Deed and the Margin Account Security Agreement in respect of that Series for detailed information regarding such documents.

The Issuer's obligations in respect of the ETP Securities of each Series are secured by the Security created by the Trust Deed and the Margin Account Security Agreement relating to such Series. Additional Security Documents may be entered into in respect of particular Series if required by the Trustee

The Security created in respect of a Series of ETP Securities is granted to the Trustee as continuing security for the Secured Obligations.

Trust Deed

Pursuant to the Trust Deed relating to a Series of ETP Securities in respect of that Series, the Secured Obligations of the Issuer shall be secured in favour of the Trustee, for its benefit and for the benefit of the Secured Creditors, by:

- (A) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Programme Documents to the extent that they relate to such Series of ETP Securities; and
- (B) a first fixed charge over (i) all sums held now or in the future, by or on behalf of the Issuer to meet payments due in respect of the obligations and duties of the Issuer under the Security Documents and the ETP Securities, (ii) the Collateral Assets and any sums of money, securities, financial instruments or other property received or receivable now or in the future by or on behalf of the Issuer under the Margin Account Agreement and the Portfolio Administration Agreement and (iii) all of the Issuer's rights as against the Margin Loan Provider, the Custodian (in respect of Series to which the First Portfolio Administration Agreement is applicable) and/or any Sub-Custodian (in respect of Series to which the First Portfolio Administration Agreement is applicable) in respect of any sum or property now or in the future standing to the credit of the relevant accounts of the Issuer with the Margin Loan Provider, the Custodian or of the Custodian (on behalf of the Issuer) with any Sub-Custodian relating to the Series of ETP Securities,

in each case, to the extent that they relate to such Series of ETP Securities.

Margin Account Security Agreement

- (1) In respect of the First Margin Account Agreement, the Issuer and the Trustee have entered into the English Law Margin Account Security Agreement and the First New York Law Margin Account Security Agreement.

In respect of any Series of ETP Securities to which the First Margin Account Agreement is specified in the relevant Final Terms to be applicable, pursuant to the English Law Margin Account Security Agreement, the Secured Obligations of the Issuer shall be secured by:

- (a) assigning absolutely to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the First Margin Account Agreement to the extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies;
- (b) charging in favour of the Trustee all of the Issuer's present and future right, title, interest in and to all of the Issuer's rights as against the Margin Loan Provider and the Custodian under the First Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider and Custodian to the extent that they relate to Series of ETP Securities where the

First Margin Account Agreement applies; and

- (c) charging in favour of the Trustee all of the Issuer's present and future right, title, interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies.

In respect of any Series of ETP Securities to which the First Margin Account Agreement is specified in the relevant Final Terms to be applicable, pursuant to the First New York Law Margin Account Security Agreement, the Secured Obligations of the Issuer shall be secured by:

- (a) granting in favour of the Trustee a continuing lien on and security interest in all of the Issuer's rights as against the Margin Loan Provider and the Custodian under the First Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider and Custodian to the extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies; and
 - (b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the First Margin Account Agreement applies.
- (2) In respect of any Series of ETP Securities to which the Second Margin Account Agreement is specified in the relevant Final Terms to be applicable, the Issuer and the Trustee will enter into a Second New York Law Margin Account Security Agreement, pursuant to which the Secured Obligations of the Issuer shall be secured by:
- (a) assigning to the Trustee by way of security all the Issuer's rights, title, interest and benefit present and future in, to and under the Second Margin Account Agreement to the extent that they relate to Series of ETP Securities where the Second Margin Account Agreement applies; and
 - (b) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's rights as against the Margin Loan Provider under the Second Margin Account Agreement in respect of any sum or property now or in the future standing to the credit of the Margin Account and any other account of the Issuer with the Margin Loan Provider to the extent that they relate to Series of ETP Securities where the Second Margin Account Agreement applies; and
 - (c) granting a continuing lien on and security interest in favour of the Trustee in all of the Issuer's present and future right, title and interest in and to all of the Collateral Assets held in the Margin Account to the extent that they relate to Series of ETP Securities where the Second Margin Account Agreement applies.

Enforcement of Security

The Security constituted by the Security Documents in respect of a Series of ETP Securities will become enforceable if an Event of Default occurs with respect to such ETP Securities. The proceeds of such enforcement will be applied in accordance with the order of priority set out in Condition 6.5 of the ETP Securities.

Subordination

The Security created in favour of the Trustee for the benefit of the Secured Creditors will be subordinated to a first ranking security interest created by the Issuer in favour of the Margin Loan Provider as security for the Issuer's obligations under the Margin Account Agreement.

THE ISSUER

The Issuer accepts responsibility for the information contained in this section of this Base Prospectus headed "The Issuer". No other Programme Party has verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into the Issuer.

General

The Issuer was incorporated as Leverage Shares Public Limited Company on 27 January 2017 as a public limited company and is validly existing under the Companies Act 2014 (with registered number 597399).

The Issuer has been established as a special purpose vehicle for the purposes of issuing collateralised exchange traded securities. The Issuer is incorporated and registered in Ireland. The registered office of the Issuer is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland. The telephone number of the Issuer is +353 1 2240300. The Issuer's LEI number is 635400TLFJSNHVSOFH59.

Share Capital and Shareholders

The authorised share capital of the Issuer is EUR 25,000 divided into 25,000 ordinary shares of EUR 1.00 each (the "**Shares**") of which 25,000 are issued and paid up to the amount of EUR 25,000 and are directly or indirectly held by Monument Trustees Limited, with its registered office at 57 Herbert Lane, Dublin 2, Ireland and CRO number 345558 (the "**Share Trustee**") under the terms of a declaration of trust (the "**Declaration of Trust**") dated 20 June 2017 under which the Share Trustee holds the benefit of the Shares on trust for charitable purposes. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the Shares. The Issuer has no subsidiaries.

There has been no material adverse change in the financial position or prospects of the Issuer since 30 June 2018. Save for the issues of ETP Securities and their related arrangements contemplated in this Base Prospectus, the Issuer has no borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees.

Business

The principal objects of the Issuer are set out in Clause 3 of its Memorandum of Association and permit, among other things, the issuance of ETP Securities, the entering into of the Programme Documents and generally enabling it to carry out the business of the Issuer as set out in the Master Trust Deed and described in this Base Prospectus.

The Master Trust Deed contains restrictions on the activities in which the Issuer may engage. Pursuant to these restrictions, the business of the Issuer is limited to acquiring and holding Collateral Assets, issuing ETP Securities up to a maximum number of ETP Securities outstanding equal to 1,000,000,000, entering into Margin Account Agreements and performing its obligations and exercising its rights thereunder and entering into other related transactions, and issuing unsecured debt securities, and disbursing loans, as contemplated by Condition 7(A)(6) of the ETP Securities.

The assets of the Issuer will consist of the Collateral Assets and the benefit of the Margin Account Agreements in respect of each Series of ETP Securities and the issued and paid-up capital of the Issuer and fees. The only assets of the Issuer available to meet claims of ETP Securityholders and other secured creditors are the assets comprised in the relevant collection of benefits, rights and other assets comprising the security for the relevant Series of ETP Securities.

The Issuer will be paid a fee for agreeing to issue the relevant ETP Securities. Other than the fees paid to the Issuer, its share capital and any income derived therefrom, there is no intention that the Issuer accumulates surpluses. The ETP Securities of each Series are direct, limited recourse obligations (with the exception of the Issuer's obligations under the Second Margin Account Agreement) of the Issuer alone and not of the shareholders of the Issuer, the Trustee, any Margin Loan Provider, officers, members, directors, employees, ETP Securityholders or any obligor in respect of any Collateral Assets. Furthermore, they are not obligations of, or guaranteed in any way by, any of the Authorised Participants or any Index Sponsor or their respective successors or assigns.

Directors

The Directors of the Issuer and their respective principal occupations are:

Name	Occupation
Neil Fleming	Company Director
Lisa Hand	Accountant

The business address of the Directors is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland.

Apex IFS Limited of 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland is the corporate administrator of the Issuer. Its duties include the provision of certain administrative and related services to the Issuer including acting as company secretary.

There are no conflicts of interest between members of the administrative, management and supervisory bodies of the Issuer and the private interests of such members.

Lisa Hand is an employee of Apex IFS Limited.

Financial Statements

The Issuer intends to publish audited financial statements on an annual basis, and unaudited semi-annual financial statements. The financial year of the Issuer will end on 30 June in each year. As at the date of this Base Prospectus, the Issuer has prepared audited financial statements for the period from its date of incorporation to 30 June 2018 and from 1 July 2018 to 30 June 2019 which can be viewed at the below links:

https://www.rns-pdf.londonstockexchange.com/rns/7276J_1-2018-12-6.pdf

https://leverageshares.com/content/files/FY2019_Signed_FS_Incl_audit_opinion.pdf

Auditors

The auditors of the Issuer are Ernst & Young of Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland, who are chartered accountants qualified to practise in Ireland and members of the Institute of Chartered Accountants in Ireland.

Any future published audited financial statements prepared by the Issuer (which will, in each case, be in respect of the period ending on 30 June of the relevant year) will be available from the registered office of the Issuer.

Capitalisation

The following table sets out the unaudited capitalisation of the Issuer as at the date of this Base Prospectus:

Shareholders' Funds:	EUR 25,000
Share Capital:	Authorised: EUR 25,000; Issued: 25,000 Ordinary Shares of EUR 1.00 each.
Total Capitalisation:	EUR 25,000

Annual General Meeting: So long as the Issuer's first annual general meeting is within 18 months of the date of its incorporation, the Issuer does not need to hold an annual general meeting in the year of its incorporation or in the year following. Subject to the above, the Issuer shall hold one annual general meeting in each year and not more than 15 months shall elapse between the date of one annual general meeting of the Issuer and that of the next.

THE ARRANGER

The information set out in this section of this Base Prospectus headed "The Arranger" has been obtained from Leverage Shares Management Company Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Leverage Shares Management Company Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Leverage Shares Management Company Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Leverage Shares Management Company Limited accepts responsibility for the information contained in this section of this Base Prospectus headed "The Arranger". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Leverage Shares Management Company Limited.

General

Leverage Shares Management Company Limited was incorporated in Ireland on 11 January 2017 as a private company limited by shares and is validly existing under the Companies Act 2014 (with registered number 596207).

The Arranger has not been established as a special purpose vehicle for the purposes of issuing asset-backed securities. The Arranger is incorporated and registered in Ireland.

The registered office of the Arranger is 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland.

The objects of the Arranger are unrestricted.

Management

The Directors of the Arranger are:

Neil Fleming

Brian Brady

Jose Gonzalez

The business address of each of the Directors is at 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland

The secretary of the Arranger is Boru Capital Limited, 116 Mount Prospect Avenue, Clontarf, Dublin 3, Ireland.

Business

The principal activity of the Arranger is the provision of administrative and arranger services to the Issuer.

The ETP Securities are obligations of the Issuer alone and not of the Arranger.

THE PORTFOLIO ADMINISTRATOR

The information set out in this section of this Base Prospectus headed "The Portfolio Administrator" has been obtained from Interactive Brokers (UK) Limited and from GWM Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Interactive Brokers (UK) Limited and GWM Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Interactive Brokers (UK) Limited or GWM Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Interactive Brokers (UK) Limited and GWM Limited accept responsibility for the information related to their respective entities in this section of this Base Prospectus headed "The Portfolio Administrator". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Interactive Brokers (UK) Limited and GWM Limited.

In respect of each Series of ETP Securities, either Interactive Broker (UK) Limited or GWM Limited, as specified in the relevant Final Terms, will be appointed to act as Portfolio Administrator.

Interactive Brokers (UK) Limited

Interactive Brokers (UK) Limited ("IBUK") is incorporated in England and Wales as a limited company under company number 03958476. The registered office of IBUK is at Level 20 Heron Tower, 110 Bishopsgate, London EC2N 4AY.

IBUK is authorised and regulated by the Financial Conduct Authority. The FCA register number of IBUK is 208159.

The ETP Securities are obligations of the Issuer alone and not of IBUK.

Further information on IBUK can be found at <https://www.interactivebrokers.co.uk>

GWM Limited

GWM Limited was incorporated under the laws of Bermuda on December 9, 2014 and its principal activity is to act as a broker/dealer in securities.

GWM Limited obtained an Investment Business License pursuant to Section 17 of the Investment Act 2003 from the Bermuda Monetary Authority on May 6, 2015. GWM Limited commenced operations on May 6, 2015. The registered office of GWM Limited is located at Cedar House, 41 Cedar Avenue, Hamilton, Bermuda.

GWM Limited also acts the Broker Dealer of Record.

Jose Gonzalez, a director of the Arranger, is the sole shareholder of GWM Limited and is also the sole shareholder of the Determination Agent.

THE MARGIN LOAN PROVIDER AND THE CUSTODIAN

The information set out in this section of this Base Prospectus headed "The Margin Loan Provider and the Custodian" has been obtained from Interactive Brokers LLC. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Interactive Brokers LLC, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Interactive Brokers LLC since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Interactive Brokers LLC accepts responsibility for the information contained in this section of this Base Prospectus headed "The Margin Loan Provider and the Custodian". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Interactive Brokers LLC.

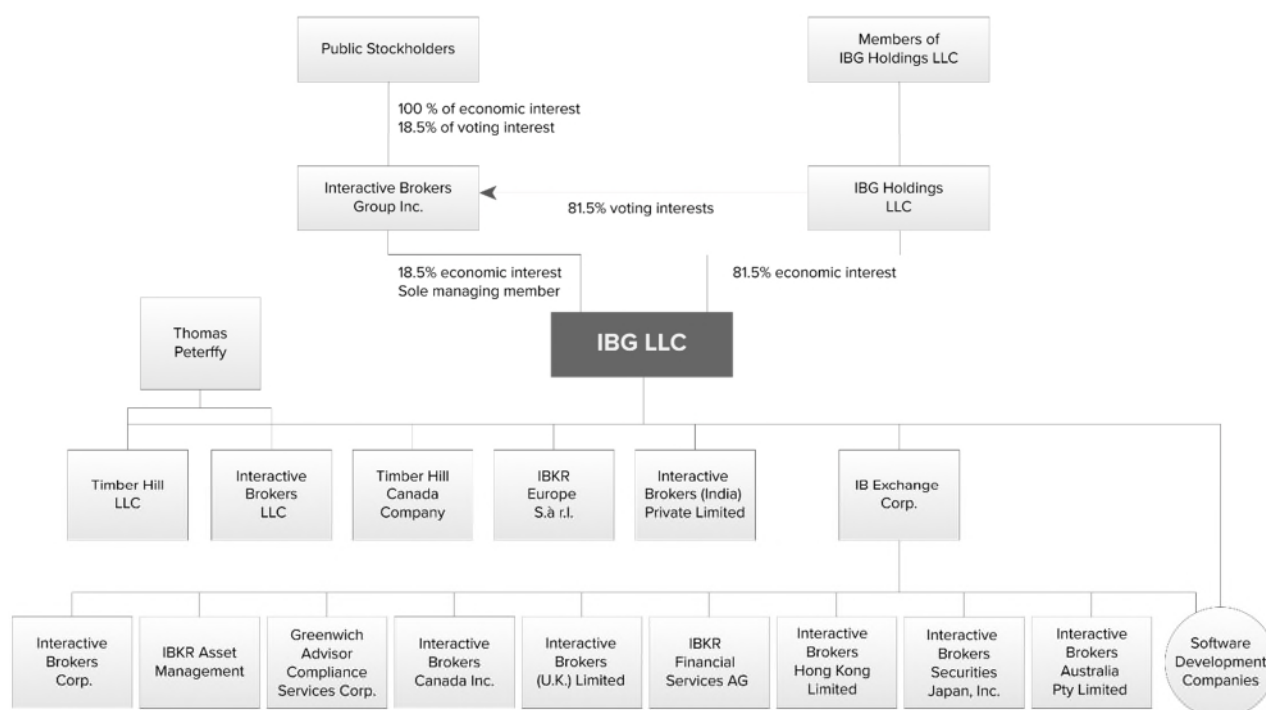
Interactive Brokers LLC ("IBLLC") is headquartered at One Pickwick Plaza, Greenwich, CT 06830, USA. IBLLC is a member of the New York Stock Exchange, the Financial Industry Regulatory Authority and is regulated by the US Securities and Exchange Commission and the Commodity Futures Trading Commission.

The ETP Securities are obligations of the Issuer alone and not of IBLLC.

IBLLC shall be appointed as Margin Loan Provider in respect of each Series of ETP Securities. In addition, in respect of Series to which the First Portfolio Administration Agreement is stated in the Final Terms to be applicable, IBLLC shall also be appointed to act as Custodian.

Further information on IBLLC can be found at <https://www.interactivebrokers.com/en/index.php?f=564>

IBLLC and IBUK are affiliates and part of the Interactive Brokers Group, the ownership of which is structured as follows:



THE DETERMINATION AGENT

The information set out in this section of this Base Prospectus headed "The Determination Agent" has been obtained from Calculation Agent Services LLC. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Calculation Agent Services LLC, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Calculation Agent Services LLC since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, Calculation Agent Services LLC accepts responsibility for the information contained in this section of this Base Prospectus headed "The Determination Agent". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into Calculation Agent Services LLC, as applicable.

Calculation Agent Services LLC is a limited liability company incorporated in the State Delaware, USA on 8 October 2018, with its principal place of business at 34 E Putnam Avenue, Suite 112, Greenwich, CT 06830.

The ETP Securities are obligations of the Issuer alone and not of Calculation Agent Services LLC.

Jose Gonzalez, a director of the Arranger, is the sole shareholder of the Determination Agent and is also the sole shareholder of GWM Limited, who acts as the Broker Dealer of Record and may also act as the Portfolio Administrator with respect to a Series of ETP Securities.

THE INITIAL AUTHORISED PARTICIPANT

The information set out in this section of this Base Prospectus headed "The Initial Authorised Participant" has been obtained from BNP Paribas Arbitrage S.N.C. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by BNP Paribas Arbitrage S.N.C., no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of BNP Paribas Arbitrage S.N.C. since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, BNP Paribas Arbitrage S.N.C. accepts responsibility for the information contained in this section of this Base Prospectus headed "The Initial Authorised Participant". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into BNP Paribas Arbitrage S.N.C.

BNP Paribas Arbitrage S.N.C. is a wholly owned subsidiary of BNP Paribas S.A. It is involved in dealing on financial instruments including derivatives and on stock borrowing and lending, receiving and transmitting orders for third parties, placement, underwriting and investment counsel (decision of the Comité des Etablissements de Crédit et des Entreprises d'Investissement – CECEI dated 9 April 2002). BNP Paribas Arbitrage S.N.C. is regulated by the French Prudential Supervision and Resolution Authority (ACPR) in France under the Monetary and Financial Code (Code Monétaire et Financier). It trades on the main international financial markets and is especially a major dealer in equities on the U.S., French, British, Swiss, German, Dutch, Belgian, Italian and Spanish stock exchanges.

BNP Paribas Arbitrage S.N.C is organised as a French partnership '*Société en Nom Collectif*' ('S.N.C') with capital of EUR 323,753,355 composed of 45,135 shares of EUR 7,173 each, whose registered office is located at 160/162 Boulevard Macdonald, 75019 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 394 895 833.

The capital of BNP Paribas Arbitrage S.N.C. is held by three partners (associés):

TAITBOUT PARTICIPATION 3, '*Société en Nom Collectif*', whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 433 912 250, holds 45,133 shares of BNP Paribas Arbitrage S.N.C. (99.98% of the BNP Paribas Arbitrage S.N.C capital);

BNP PARIBAS, *Société Anonyme*, whose registered office is located at 16 Boulevard des Italiens 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number B 662 042 449, holds 1 share of BNP Paribas Arbitrage S.N.C. (0.01% of the BNP Paribas Arbitrage S.N.C. capital);

Société ANTIN PARTICIPATION 5, '*Société par Actions Simplifiée*', whose registered office is located at 1 Boulevard Haussmann - 75009 Paris (France), registered with the Registry of Commerce and Companies of Paris under the number 433 891 678, holds 1 share of BNP Paribas Arbitrage S.N.C. (0.01% of the BNP Paribas Arbitrage S.N.C. capital).

The managers ('*Gérants*') of BNP Paribas Arbitrage S.N.C. are BNP Paribas, whose permanent representative ('*Représentant Permanent du Gérant*') is Mr. Jacques Vigner and Taitbout Participation 3 S.N.C whose permanent representative ('*Représentant Permanent du Gérant*') is Mr Nicolas Marque .

Sociétés en Nom Collectif are governed by articles L221-1 to L221-17 of the Code of Commerce, related to commercial companies. Article L221-1 expressly states that the partners of a S.N.C. are indefinitely, jointly and severally liable for the debts of the S.N.C. This joint and several obligation exists for each partner of the S.N.C., whatever the amount of the S.N.C.'s capital such partner holds, so that each creditor of a S.N.C. may require from any of the partners of such S.N.C. the payment of the aggregate amount of its debt against the S.N.C. This obligation is attached by law to the qualification of a person as a partner of a S.N.C. Thus, in the event BNP Paribas Arbitrage S.N.C. is in default in the performance of any of its obligations toward a third party, its partners will be engaged towards such third party as if its partners had directly underwritten such an obligation.

The information contained in this section related to and has been obtained from BNP Paribas. The information concerning BNP Paribas and the Group contained herein is furnished solely to provide limited introductory information regarding the BNP Paribas and the Group and does not purport to be

comprehensive.

The delivery of the information contained in this section shall not create any implication that there has been no change in the affairs of the BNP Paribas or the Group since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

BNP Paribas is a European leading provider of banking and financial services and has four domestic retail banking markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 74 countries and has more than 198,000 employees, including close to 150,000 in Europe. BNP Paribas holds key positions in its two main businesses:

- Retail Banking and Services, which includes:
 - Domestic Markets, comprising:
 - o French Retail Banking (FRB);
 - o BNL banca commerciale (BNL bc), Italian retail banking;
 - o Belgian Retail Banking (BRB);
 - o Other Domestic Markets activities, including Luxembourg Retail Banking (LRB);
 - International Retail Banking, comprising:
 - o Europe-Mediterranean;
 - o BancWest;
 - o Personal Finance;
 - o Insurance;
 - o Wealth and Asset Management;
- Corporate and Institutional Banking (CIB) which includes:
 - Corporate Banking;
 - Global Markets;
 - Securities Services.

BNP Paribas SA is the parent company of the BNP Paribas Group (the 'Group').

At 31 December 2017, the Group had consolidated assets of €1,960.3 billion (compared to €2,077.0 billion at 31 December 2016), consolidated loans and receivables due from customers of €727.7 billion (compared to € 712.2 billion at 31 December 2016), consolidated items due to customers of €766.9 billion (compared to €765.9 billion at 31 December 2016) and shareholders' equity (Group share) of €102.0 billion (compared to € 100.7 billion at 31 December 2016). Net income, Group share, for the year ended 31 December 2017 was €7.8 billion (compared to €7.7 billion for the year ended 31 December 2016).

BNP Paribas has debt securities listed on a number of major exchanges including the Luxembourg Stock Exchange. The registered office of BNP Paribas is located at 16, Boulevard des Italiens – 75009 Paris, France.

THE BROKER DEALER OF RECORD

The information set out in this section of this Base Prospectus headed "The Broker Dealer of Record" has been obtained from GWM Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by GWM Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of GWM Limited since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

In addition to the Issuer, GWM Limited accepts responsibility for the information contained in this section of this Base Prospectus headed "The Broker Dealer of Record". No other Programme Party verified, or accepts any liability whatsoever for the accuracy of, such information and investors contemplating purchasing any of the ETP Securities should make their own independent investigations and enquiries into GWM Limited.

GWM Limited was incorporated under the laws of Bermuda on December 9, 2014 and its principal activity is to act as a broker/dealer in securities.

GWM Limited obtained an Investment Business License pursuant to Section 17 of the Investment Act 2003 from the Bermuda Monetary Authority on May 6, 2015. GWM Limited commenced operations on May 6, 2015. The registered office of GWM Limited is located at Cedar House, 41 Cedar Avenue, Hamilton, Bermuda.

GWM Limited may also act as Portfolio Administrator with respect to a Series of ETP Securities.

Jose Gonzalez, a director of the Arranger, is the sole shareholder of GWM Limited and is also the sole shareholder of the Determination Agent.

TAX CONSIDERATIONS

The discussion below is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect with respect to Irish withholding tax, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the ETP Securities.

Prospective investors should be aware that the acquisition, holding, transfer or disposal of the ETP Securities, and/or receipt of payments under ETP Securities may result in tax consequences to any investor, which may arise in, but are not limited to, the jurisdiction of the Issuer or the jurisdiction of residence, domicile, citizenship or incorporation of the relevant investor. Prospective investors should consult their own professional advisers concerning such possible tax consequences.

Ireland

The following summary outlines certain aspects of Irish withholding tax law and practice regarding the ownership of ETP Securities. This summary deals only with ETP Securities held beneficially as capital assets and does not address special classes of holders of ETP Securities such as dealers in securities. This summary is not exhaustive and holders of ETP Securities are advised to consult their own tax advisers in respect of the taxation consequences of their ownership or disposition. The summary is based on current Irish taxation legislation and practice of the Irish Revenue Commissioners.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.) is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act 1997 (as amended) (the "**1997 Act**") for certain securities ("**quoted Eurobonds**") issued by a body corporate (such as the Issuer) that carry a right to interest and are quoted on a recognised stock exchange (which would include the London Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided the person by or through whom the payment is made is not in Ireland or the payment is made by or through a person in Ireland, and either:

- (a) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream Banking S.A. are so recognised); or
- (b) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the ETP Securities are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream Banking S.A., interest on the ETP Securities can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If the quoted Eurobond exemption referred to above ceases to apply, the Issuer can still pay interest on the ETP Securities free of withholding tax provided it is a "qualifying company" (within the meaning of Section 110 of the 1997 Act) (a "qualifying company") and provided the interest is paid to a person resident in a "relevant territory" (i.e. a member state of the European Union (other than Ireland) or a country with which Ireland has a double taxation agreement which has the force of law, or a country with which Ireland has signed a double taxation agreement which will on the completion of certain procedures have the force of law). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other Agent in Ireland on behalf of any holder of ETP Securities who is an Irish resident.

SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for ETP Securities from the issuer, acting as principals in respect of such subscriptions.

General

These selling restrictions may be modified by the agreement of the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of ETP Securities to which it relates or in a supplement to this Base Prospectus.

None of the Issuer or any Authorised Participant represents that the ETP Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers ETP Securities or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

United States

The ETP Securities have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or other jurisdiction of the United States, or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuer has not and will not be registered under the Investment Company Act. ETP Securities may not be legally or beneficially owned by any U.S. person at any time nor offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

ETP Securities in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer and sell ETP Securities at any time, directly or indirectly, within the United States or its possessions or for the account or benefit of (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the United States Commodity Exchange Act of 1936, as amended, (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time. Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver the ETP Securities except in accordance with Rule 903 of Regulation S under the Securities Act, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such ETP Securities, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of ETP Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Offering materials for the offering of the ETP Securities have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area (each, a “**Relevant Member State**”), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Regulation came into force (the “**Relevant Date**”) it has not made and will not make an offer of ETP Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Date, make an offer of such ETP Securities to the public in that Relevant Member State:

- (i) if the applicable Final Terms in relation to the ETP Securities specify that an offer of those ETP Securities may be made by the Authorised Participant(s) other than pursuant to Article 1 of the Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of the Base Prospectus in relation to such ETP Securities which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 1 of the Prospectus Regulation,

provided that no such offer of ETP Securities referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provision above, the expression an “**offer of ETP Securities to the public**” in relation to any ETP Securities in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the ETP Securities to be offered so as to enable an investor to decide to purchase or subscribe the ETP Securities.

United Kingdom

Each Authorised Participant represents and agrees in the Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any ETP Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such ETP Securities in, from or otherwise involving the United Kingdom.

Ireland

Each Authorised Participant shall be deemed to have represented, warranted and agreed that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the ETP Securities, or do anything in Ireland in respect of the ETP Securities, otherwise than in conformity with the provisions of:

- (1) the Prospectus Regulation and any Central Bank of Ireland (“**Central Bank**”) rules issued and / or in force pursuant to section 1363 of the Irish Companies Act 2014 (as amended) (the “**Companies Act**”);

- (2) the Companies Act;
- (3) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (4) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and / or in force pursuant to section 1370 of the Companies Act;
- (5) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and
- (6) the Central Bank Acts 1942 to 2018 and any codes of conduct rules made under section 117(1) of the Central Bank Act 1989.

Italy

Unless it is specified within the relevant Final Terms that a Non-exempt Offer of ETP Securities may be made in Italy, the offering of the ETP Securities has not been registered pursuant to Italian securities legislation and, accordingly, no ETP Securities may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the ETP Securities be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the “**Financial Services Act**”) as implemented by Article 35, paragraph 1(d) of CONSOB Regulation No. 20307 of 15 February 2018, as amended (“**CONSOB Regulation No. 20307**”) pursuant to Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (“**Regulation No. 11971**”); or
- (b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the ETP Securities or distribution of copies of the Base Prospectus or any other document relating to the ETP Securities in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, Regulation No. 20307, the Legislative Decree No. 385 of 1 September 1993, as amended (the “**Banking Act**”) and any other applicable laws and regulations;
- (ii) in compliance with Article 129 of the Banking Act, as amended and the implementing guidelines of the Bank of Italy, as amended from time to time, with regard, *inter alia*, to the reporting obligations required; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or the Bank of Italy or other Italian authority.

Investors should also note that, in any subsequent distribution of the ETP Securities in the Republic of Italy, Article 100-bis of the Financial Services Act may require compliance with the law relating to public offers of securities. Furthermore, where the ETP Securities are placed solely with “qualified investors” and are then systematically (“*sistematicamente*”) resold on the secondary market at any time in the 12 months following such placing, purchasers of ETP Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the ETP Securities were purchased, unless an exemption provided for under the Financial Services Act applies.

France

Neither this Base Prospectus nor any other offering material relating to the ETP Securities has been submitted to the clearance procedures of the *Autorité des Marchés Financiers* (“AMF”).

Unless it is specified in the relevant Final Terms that a Non-Exempt Offer of ETP Securities will be made in France, the following will apply: each Authorised Participant has represented and agreed that the ETP Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

Neither this Base Prospectus nor any other offering material relating to the ETP Securities has been or will be:

- (a) released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- (b) used in connection with any offer for subscription or sale of the ETP Securities to the public in France.

Such offers, sales and distributions will be made in France only:

- (i) to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case, acting for their own account, all as defined in, and in accordance with, articles L.411-1, L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier (“CMF”); or
- (ii) to investment services providers authorised to engage in portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); or
- (iii) in a transaction that, in accordance with article L.411-2 of the CMF and article 211-2 of the *Règlement Général* of the AMF, does not constitute a public offer.

The ETP Securities may be resold directly or indirectly to the public in France, only in compliance with the above-mentioned articles.

Germany

For selling restrictions in respect of the Germany, please see "*European Economic Area*" above.

Spain

For selling restrictions in respect of the Spain, please see "*European Economic Area*" above and in addition:

Neither the ETP Securities nor the Base Prospectus have been approved or registered in accordance with the Spanish securities market regulations. Accordingly, no ETP Securities may be offered, sold or delivered, nor copies of the Base Prospectus or any other document or communication in relation to the ETP Securities may be distributed in Spain, except in compliance with the requirements set out in the Spanish Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as amended (“**Legislative Royal Decree 4/2015**”), and any regulation issued thereunder.

Any offer of the ETP Securities or distribution of copies of the Base Prospectus or any other document or communication relating to the ETP Securities in Spain shall be made under circumstances which are exempted from the rules on public offerings. Except when the offer is addressed to qualified investors, any offer or placement of the Securities must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in accordance with Legislative Royal Decree 4/2015.

The Netherlands

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it will not make an offer of ETP Securities to the public in The Netherlands in reliance on Article 1 of the Prospectus Regulation unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (as amended)

(the “**FSA**”) or (ii) standard exemption wording is disclosed as required by Article 5:20(5) of the FSA, **provided that** no such offer of ETP Securities shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Zero Coupon Securities (as defined below) in definitive form may only be transferred and accepted, directly or indirectly, within, from or into the Netherlands through the mediation of either the relevant Issuer or a member firm of Euronext Amsterdam N.V., admitted in a function on one or more markets or systems held or operated by Euronext Amsterdam N.V., in accordance with the Dutch Savings Certificates Act (*Wet inzake spaarbewijzen*) of 21 May 1985 (as amended).

No such mediation is required: (a) in respect of the transfer and acceptance of rights representing an interest in a Global Security; (b) in respect of the transfer and acceptance of Zero Coupon Securities in definitive form between individuals who do not act in the conduct of a business or profession; (c) to the initial issue of Zero Coupon Securities in definitive form to the first holders thereof; or (d) in respect of the transfer and acceptance of such Zero Coupon Securities within, from or into the Netherlands if all Zero Coupon Securities (either in definitive form or as rights representing an interest in a Zero Coupon Security in global form) of any particular Series/Tranche are issued outside the Netherlands and are not distributed into the Netherlands in the course of initial distribution or immediately thereafter.

In the event that the Savings Certificates Act applies, certain identification requirements in relation to the issue and transfer of, and payments on, Zero Coupon Securities have to be complied with.

As used herein “**Zero Coupon Securities**” are ETP Securities that are in bearer form and that constitute a claim for a fixed sum against the Issuer and on which interest does not become due during their tenor or on which no interest is due whatsoever.”

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors passed on 4 December 2017.
2. Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since 30 June 2018, the date of its last published audited financial statements.
3. The Issuer is not nor has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since its incorporation which may have, or have had in the recent past, significant effects on its financial position or profitability.
4. ETP Securities may be accepted for clearance through any Relevant Clearing System including CREST, Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of ETP Securities will be set out in the relevant Final Terms. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London, EC4M 5SB. The address of any alternative clearing system will be specified in the applicable Final Terms.
5. Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
6. It is expected that each Series of ETP Securities that is to be listed and admitted to trading on the regulated markets of the London Stock Exchange and/or Cboe and/or the Frankfurt Stock Exchange and/or the Italian Stock Exchange and/or Euronext Paris and/or Euronext Amsterdam and/or Euronext London will be admitted separately as and when issued, subject only to the issue of ETP Securities initially representing the ETP Securities of such Series. The approval by the Central Bank of this Base Prospectus in respect of the ETP Securities was granted on 5 February 2020.
7. The issue price and the amount of the relevant ETP Securities will be determined, before filing of the relevant Final Terms of each Series, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any of the Indices, Investment Strategies or issues of ETP Securities.
8. For so long as ETP Securities remain outstanding, the following documents will be available on the Issuer's website www.leverageshares.com and during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and at the registered office of the Trustee in printed form:
 - (A) the Issuer's memorandum of association;
 - (B) the Issuer's audited financial statement for the year ending 30 June 2018;
 - (C) the Master Trust Deed in respect of the Programme;
 - (D) the Operating Procedures Agreement;
 - (E) the Services Agreement;
 - (F) the Agency Agreement;
 - (G) the Registrar Agreement;

- (H) the Portfolio Administration Agreement;
 - (I) the Determination Agency Agreement;
 - (J) each Authorised Participant Agreement;
 - (K) the Master Definitions Schedule;
 - (L) the Margin Account Agreement;
 - (M) the Margin Account Security Agreement;
 - (N) the Broker Dealer of Record Agreement;
 - (O) the Supplemental Trust Deed in respect of each Series of ETP Securities; and
 - (P) the Final Terms in respect of each Tranche of ETP Securities.
9. Ernst & Young audits the accounts of the Issuer. Ernst & Young has no material interest in the Issuer. Ernst & Young is a member of the Institute of Chartered Accountants of Ireland
 10. The Arranger has agreed to take responsibility for the expenses relating to the admission to trading of each Series and therefore the cost of such expenses to the Issuer is nil.
 11. Any website mentioned in this Base Prospectus does not form part of the prospectus prepared for the purpose of seeking approval by the Central Bank.

Registered Office of the Issuer

Leverage Shares Public Limited Company
2nd Floor, Block 5
Irish Life Centre
Abbey Street Lower
Dublin 1
D01 P767
Ireland

Trustee

Apex Corporate Trustees (UK) Limited
6th Floor
125 Wood Street
London
EC2V 7AN

Issuing and Paying Agent

Link ASI Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

Registrar

Link Registrars Limited
2 Grand Canal Square
Dublin 2
D02 A342
Ireland

CREST Settlement Agent

Link Market Services Trustees Limited
The Registry, 34 Beckenham Road
Beckenham
Kent BR3 4TU

Margin Loan Provider and Custodian

Interactive Brokers LLC
One Pickwick Plaza
Greenwich
CT 06830
USA

Portfolio Administrator

Interactive Brokers (UK) Limited
Level 20 Heron Tower
110 Bishopsgate
London EC2N 4AY

GWM Limited
41 Cedar Avenue
5th Floor
Hamilton, HM 12
Bermuda

Determination Agent

Calculation Agent Services LLC
34 E Putnam Avenue
Suite 112
Greenwich
CT 06830
USA

Broker Dealer of Record

GWM Limited
41 Cedar Avenue
5th Floor
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Arranger

Leverage Shares Management Company Limited
116 Mount Prospect Avenue
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Initial Authorised Participants

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160/162 Boulevard Macdonald
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France

Irish Listing Agent

Matheson
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Dublin 2
Ireland

Legal Advisers

*To the Issuer and the Arranger as
to Irish law*

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

*To the Trustee in respect of Irish
law*

Walkers
The Exchange
George's Dock
IFSC
Dublin 1
Ireland