FINAL VERSION

HANetf ETC Securities plc

LEI code 635400GQU6WKILM5R975

(*incorporated as a public company with limited liability under the laws of Ireland*)

BASE PROSPECTUS FOR THE ISSUE OF METAL SECURITIES

Comprising:

The Royal Mint Responsibly Sourced Physical Gold ETC Securities

The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities

The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities

The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities

and each other Metal Securities as set out in the Final Terms

This base prospectus is dated 8 September 2026

The Directors of HANetf ETC Securities plc whose names appear in the Directory below accept responsibility for the information contained in this base prospectus (this "Prospectus"). To the best of the knowledge of the Directors, the information contained in this Prospectus is in accordance with the facts and this Prospectus does not omit anything likely to affect the import of such information.

This Prospectus constitutes a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129 (the "**EU Prospectus Regulation**") and has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority thereunder. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the EU Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the securities (the "**Metal Securities**") that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of any investment in Metal Securities.

The Central Bank's approval relates only to the Metal Securities which are, as at the date specified above (the "**Prospectus Date**"), to be admitted to trading on a regulated market for the purpose of the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council on Markets in Financial Instruments, as amended ("**MiFID2**") and/or which are to be offered to the public in any member state of the European Economic Area.

This Prospectus also constitutes a base prospectus for the purposes of PRM 2.3 of the Financial Conduct Authority (the "**FCA**") Sourcebook "Prospectus Rules: Admission to Trading on a Regulated Market" ("**PRM**") and has been approved by the FCA under the PRM. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the rules in the PRM. Such approval should not be considered as an endorsement of the Issuer or the quality of the Metal Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of any investment in Metal Securities.

The Issuer has separately requested that the Central Bank notify the approval of the Prospectus in accordance with Article 25 of the EU Prospectus Regulation to the relevant competent authorities in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden by providing each of them with (amongst other things) certificates of approval attesting that this Prospectus has been drawn up in accordance with the EU Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other members of the European Economic Area (the "**EEA States**") with such certificates whether for the purposes of making a public offer in such EEA States or for admission to trading of all or some Metal Securities on a regulated market therein.

This Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. The obligation to supplement a base prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a base prospectus is no longer valid. A copy of this Prospectus, which comprises a base prospectus relating to the Metal Securities of each type in compliance with Article 8 of the EU Prospectus Regulation and PRM 2.3 of the PRM, in each case, as in force at the Prospectus Date, has been made available to the public at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents in accordance with Article 21 of the EU Prospectus Regulation and PRM 9.5 of the PRM.

The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities under this Programme has been admitted to the official list of the FCA with effect from 09 October 2024 and admitted to trading on the Main Market of the London Stock Exchange (the "**London Stock Exchange**") with effect from 09 October 2024.

Admission to the official list of the FCA and to trading on the Main Market of the London Stock Exchange are offers made under, and admission to trading on a regulated market for the purposes of, the rules of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105) (the "**POATRs**") and the PRM. Investors should be aware that such admission to the official list of the FCA and trading on the Main Market of the London Stock Exchange are not offers made under the EU Prospectus Regulation, or admission to trading on a regulated market for the purposes of the EU Prospectus Regulation, as it applies in the European Union, but are such offers and admission to trading for the purposes of the POATRs and the PRM.

Where the Metal Securities are to be offered to the public in the United Kingdom, any such offer is conditional upon, and will only proceed if the Metal Securities are admitted to trading on the regulated market of the London Stock Exchange. Such an offer is being made in reliance on paragraph 6(a) of Part 1 of Schedule 1 of the POATRs. The Final Terms in respect of such Metal Securities must be submitted in their definitive form to the FCA and to the London Stock Exchange no later than 2pm on the business day before listing is to become effective. Securities will only be considered to be officially listed when the FCA announces this to the market in the form of its Official List Notice, which is released at 8:00am each business day via a Regulatory Information Service ("**RIS**"). Copies of Final Terms in relation to Securities to be listed on the Main Market will also be published on the website of the London Stock Exchange through a RIS. The offer of such Metal Securities may be withdrawn without liability to the Issuer if the Metal Securities are not admitted to the Main Market of the London Stock Exchange on the Issue Date. In such event, any application monies received will be returned to applicants without interest within five business days, and it will be deemed that no Metal Securities have been issued for that Class.

The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities issued under this Programme has been admitted to listing and trading on the Regulated Market of the Frankfurt Stock

Exchange (*Frankfurter Wertpapierbörse)* (the "**Frankfurt Stock Exchange**") with effect from 09 October 2024.

The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities issued under this Programme has been admitted to the Regulated Market of the Italian Stock Exchange, ETF plus market (*Borsa Italiana*) (the **"Italian Stock Exchange**") with effect from 14 October 2024.

The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities issued under this Programme has been admitted to trading and listed in the segment for Exchange Traded Products ("**ETPs**") of the SIX Swiss Exchange (the "**SIX Swiss Exchange**") with effect from 24 October 2024. Each investor is hereby informed, and is deemed to have acknowledged and consented, that for securities listed on the SIX Swiss Exchange, including the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities issued under the Programme, the SIX Swiss Exchange, the SIX Exchange Regulation, the Regulatory Board and/or any other competent regulatory body of the SIX Swiss Exchange may at the request of the Issuer or on its own initiative suspend the trading in the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities, (i) if such suspension is deemed necessary in exceptional cases, in particular, in the event of suspected price manipulation, falsification of liquidity or criminal activities and/or (ii) if listing requirements that must be met continuously during the term of the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities are no longer fulfilled, in particular if the custodian lacks or loses the required features pursuant to Art. 14 of the Additional Rules for the Listing of Exchange Traded Products. If trading in the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities has been suspended for a continuous three-month period, the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities will be delisted by the Regulatory Board of SIX Swiss Exchange, unless the reasons for the suspension ceased to exist. The SIX Swiss Exchange and/or its regulatory bodies accept no liability for damage or loss incurred in connection with the suspension of trading and delisting.

The Royal Mint Responsibly Sourced Physical Gold ETC Securities issued under this Programme were admitted to:

(a) the official list of the FCA with effect from 19 February 2020 and admitted to trading on the Main Market of the London Stock Exchange with effect from 19 February 2020;

(b) listing and trading on the Regulated Market of the Frankfurt Stock Exchange with effect from 28 February 2020;

(c) the Regulated Market of the Italian Stock Exchange and admitted to listing and trading on the Italian Stock Exchange with effect from 18 August 2020;

(d) the listing and trading on the Regulated Market of the Euronext Paris with effect from 19 January 2022; and

(e) the official list of the Warsaw Stock Exchange and admitted to listing and trading on the Warsaw Stock Exchange with effect from 13 December 2023.

The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities issued under this Programme were admitted to:

(a) listing and trading on the Regulated Market of the Frankfurt Stock Exchange with effect from 09 October 2024; and

(b) the Regulated Market of the Italian Stock Exchange and admitted to listing and trading on the Italian Stock Exchange with effect from 14 October 2024.

The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities issued under this Programme were admitted to the official list of the FCA with effect from 09 October 2024 and admitted to trading on the Main Market of the London Stock Exchange with effect from 09 October 2024.

References in this Prospectus to Metal Securities being "**listed**" (and all related references) shall mean that such Metal Securities have been admitted to trading on (i) the London Stock Exchange which is a regulated market for the purposes of the POATRs and the PRM; and/or (ii) the Frankfurt Stock Exchange; the French Stock Exchange, the Italian Stock Exchange; the Warsaw Stock Exchange and/or an alternative market, which are each regulated markets for the purposes of MiFID2 and/or (iii) the SIX Swiss Exchange.

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SECTION 1 – DESCRIPTION OF THE PROGRAMME

1.1 For ease of reference, this Section 1 is divided into the following parts:

A. Introduction to the Programme
B. Metal Entitlement
C. Listing, Trading and Passporting
D. Contract Structure
E. Transaction Structure and Flow of Funds
F. Subscription and Redemption
G. Compulsory Redemption
H. Settlement
I. Tax
J. Regulation

A. Introduction to the Programme

1.2 Metal Securities are intended to offer investors a means of investing in the precious metals market without the necessity of taking physical delivery of or storing Metal.

1.3 The type of Metal underlying Metal Securities will be gold only. Metal Securities will be issued in classes (each, a "**Class**"). A Class of Metal Securities backed by LBMA Good Delivery responsibly sourced gold bars ("**Gold**") are referred to in this Prospectus as a Class of "**Gold Securities**".

1.4 A Class of Metal Securities may include a foreign exchange hedge (the "**FX Hedge**") component (referred to in this Prospectus as the "**FX Hedged Metal Securities**" or, otherwise, the "**FX Unhedged Metal Securities**"). In the case of Gold Securities, a Class of Gold Securities will be either "**FX Hedged Gold Securities**" or "**FX Unhedged Gold Securities**". The FX Hedge is intended to reduce the exposure of the Metal Securities to exchange rate fluctuations between the currency in which such Metal Securities are denominated and the currency in which the price of the relevant Metal is denominated (see ***FX Hedge*** below).

1.5 Metal Securities are being made available by the Issuer for Subscription only to Authorised Participants. Prospective Non-AP Securityholders can buy and sell Metal Securities through the trading of securities listed on a Relevant Stock Exchange or in the OTC Market. Provided that certain conditions are met (see ***Subscription and Redemption*** below), Authorised Participants and Non-AP Securityholders are able to Redeem Metal Securities directly with the Issuer.

1.6 Metal Securities may be available to be issued in Certificated Form or in Uncertificated Form in the Relevant Clearing System.

Metal Securities: General Description

1.7 Each Class of Metal Securities have an effective notional entitlement to a type of Metal, the Metal Entitlement. This aims to provide an investor with the same return that they would gain from investing directly in the underlying precious metal (less applicable fees) and, in respect of FX Hedged Metal Securities, subject to any gains or losses in respect of the FX Hedge (including the FX Hedge Expense). Subscriptions for and Redemptions of Metal Securities are, in general, satisfied in precious metal of the relevant type, which is stored in safe custody with the relevant Custodian. All Metal conforms to the rules of the Relevant Association.

1.8 A Metal Security is a secured limited recourse debt obligation of the Issuer, which entitles a Securityholder to require Redemption of the Metal Security and on the Redemption Settlement Date receive an amount of Metal equal to the relevant Metal Entitlement of that Metal Security on the Trade Date (or in the case of a Metal Sale, an amount of cash equal to the Securityholder's Metal Entitlement in respect of the Metal Securities being Redeemed).

1.9 Gold Securities are backed by physical Gold which is identified (whether by bar serial numbers or otherwise) in and recorded on the Issuer's account with the Custodian. More specifically, the Gold will be held in the Secured Allocated Accounts in "allocated" form as uniquely identifiable bars, as identified in the Bar List published each London Business Day by the Issuer. The books and records of the Custodian evidence that such Gold is segregated from other metal held in each of its Vaults (or a Sub-custodian's Vault, where applicable). In order to maximise the efficiency of the Subscription and Redemption process, Gold may be held in "unallocated form" for a short period of time in a Secured Unallocated Account (together with the related Secured Allocated Account, the "**Secured Accounts**"). In respect of the FX Hedged Gold Securities:

(a) Gold in respect of all Classes of the FX Hedged Gold Securities will be held in the same Secured Accounts (such accounts are referred to as "**Secured Accounts (FX Hedge)**") without separate custody accounts being opened and maintained for each Class of such FX Hedged Gold Securities; and

(b) the books and records of the Custodian will evidence the amount of Gold (expressed in fine troy ounces) held in the Secured Accounts (FX Hedge) in respect of each Class of the FX Hedged Gold Securities. Each Class of the FX Hedged Gold Securities will be backed by and secured over the relevant amount of Gold held in the Secured Accounts (FX Hedge) relating to such Class.

Gold held in the Secured Accounts (FX Hedge) in respect of the FX Hedged Gold Securities will be segregated from any Gold held in the Secured Accounts in respect of the FX Unhedged Gold Securities.

1.10 The Gold that backs the Gold Securities must meet the "**Good Delivery**" standards set by the London Bullion Market Association (the "**LBMA**") and 100% of the Gold held is the LBMA 2019 (and newer) responsibly sourced Gold. The Issuer will use best endeavours to transition the physical Gold backing the Gold Securities to the

higher standard LBMA 2022 (and newer) responsibly sourced Gold as the Gold securities grow. Furthermore, as of the date of this Prospectus, the Issuer will commit to holding a minimum of 10% of recycled gold bars. The most up to date percentage of recycled gold bars backing each of the Gold Securities can be found on the relevant product page here: https://hanetf.com/.

B. Metal Entitlement

1.11 In respect of each Class of Metal Securities, the Issuer (or an agent on its behalf) will calculate the Metal Entitlement per Security in respect of each calendar day. As at the relevant Issue Date, the Metal Entitlement per Security in respect of the Initial Tranche of each of the following Classes of Metal Securities is set out in the table below:

	Class	Type of Metal Securities	Metal Entitlement per Security
(a)	The Royal Mint Responsibly Sourced Physical Gold ETC Securities	FX Unhedged Gold Securities	0.01 fine troy ounce of Gold
(b)	The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold
(c)	The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold
(d)	The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold

The Issue Date of the Initial Tranche of The Royal Mint Responsibly Sourced Physical Gold ETC Securities was 14 February 2020. In respect of each Class of Metal Securities, the Issuer will publish on the Issuer's Website the Metal Entitlement per Security on each calendar day up to and including the relevant Compulsory Redemption Date in respect of all Outstanding Metal Securities of such Class.

1.12 Whenever new Metal Securities of any type are issued or existing Metal Securities are Redeemed, this will reflect the then prevailing Metal Entitlement of those Metal Securities, thereby ensuring that all securities of the same type have the same Metal Entitlement.

1.13 The precise rights attached to the Metal Securities, including deductions in respect of fees and how they are applied, are set out in the Conditions (including, in respect of FX Hedged Metal Securities, the FX Hedge Additional Conditions), which are reproduced in **Section 13 – Terms and Conditions of Metal Securities**. An illustration of the effect of these rights, is set out in **Section 10 – Determining the**

Value of an Investment in Metal Securities. Worked examples are also included in this section.

C. Listing, Trading and Passporting

1.14 All Metal Securities are fully transferable.

1.15 The Issuer has separately requested that the Central Bank provide the BaFIN, the CONSOB, the Autorité des marches financiers (the "**AMF**") and the Polish Financial Supervision Authority with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the EU Prospectus Regulation and any other necessary information so that the Metal Securities may respectively be admitted to listing and trading on:

(a) the regulated market of Euronext Paris;

(b) the regulated market of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse);

(c) the regulated market of the Italian Stock Exchange (Borsa Italiana S.p.A.); and

(d) the regulated market of the Warsaw Stock Exchange,

and offered publicly in France, Germany, Italy and Poland in accordance with local law.

1.16 The Issuer has also requested the Central Bank to provide the competent authorities of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the EU Prospectus Regulation so that the Metal Securities may be offered publicly in accordance with the local law of these EEA States.

1.17 The Issuer may request that the Central Bank provide competent authorities in other EEA States with such certificates for the purpose of admission to trading of all or any Metal Securities issued under the Programme on a regulated market therein. The Central Bank will remain the competent authority for the purposes of approving all prospectuses published by the Issuer under the EU Prospectus Regulation.

1.18 The Issuer will apply to the FCA for all Metal Securities which are to be offered to the public in the United Kingdom to be admitted to the official list of the FCA and to trading on the London Stock Exchange.

1.19 Investors should be aware that such admission to the official list of the FCA and trading on the Main Market are not offers made under the EU Prospectus Regulation, or admission to trading on a regulated market for the purposes of the EU Prospectus Regulation and EU Directive 2014/65/EU and EU Regulation 600/2014/EU on

Markets in Financial Instruments (collectively referred to as "**MiFID II**"), as they apply in the European Union, but are such offers and admission to trading for the purposes of the POATRs and the PRM.

1.20 The Issuer has filed this Prospectus (together with any supplements hereto) as an automatically recognised prospectus in accordance with article 54(2) of the Swiss Financial Services Act of 15 June 2018, as amended ("**FinSA**") with a Swiss review body pursuant to article 52 FinSA (the "**Swiss Review Body**") as a base prospectus within the meaning of article 45 of the FinSA, and publish it in accordance with the FinSA. Following its filing and publication, this Prospectus (as supplemented from time to time) can be used, subject to any other applicable requirements under the FinSA, for any public offering in Switzerland of any Metal Securities issued under the Programme and/or the application for the admission to trading of the relevant Metal Securities issued under this Programme on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland. The SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland is not a regulated market for the purpose of the EU Prospectus Regulation and MiFID II as they apply in the European Union.

1.21 Following the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities being listed for trading on the SIX Swiss Exchange and/or offered to the public in Switzerland pursuant to this Prospectus, the Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities will also at the same time (for the purposes of the Prospectus as approved by the FCA) be admitted to a regulated market in the United Kingdom and/or publicly offered in the United Kingdom, and (for the purposes of the Prospectus as approved by the Central Bank) be admitted to a regulated market in the European Union and/or publicly offered in the European Union.

D. Contract Structure

Trust Deed

1.22 In respect of a Class of Metal Securities, the Metal Securities of such Class are constituted by a Trust Deed, under which the Trustee acts as trustee for the Securityholders of each Class.

1.23 The Programme Documents establish a custody structure in respect of the Underlying Metal and a security structure in respect of the Secured Property.

Custody

1.24 Pursuant to the Custody Agreements, the relevant Custodian acknowledges the Security created by the Issuer in favour of the Security Trustee and agrees that once the relevant Metal is deposited in a Secured Account in accordance with a relevant Custody Agreement, it may only be removed in accordance with the terms of the relevant Custody Agreement. In relation to the FX Hedged Gold Securities, the Gold in respect of all Classes will be held in the same Secured Accounts (FX Hedge) without separate custody accounts being opened and maintained for each Class.

1.25 The Custodian identifies in its books and records that the Underlying Metal belongs to the Issuer, and the Custodian shall have no title to or interest in such Underlying Metal. In respect of each Class of the FX Hedged Gold Securities, the books and records of the Custodian will evidence the amount of Gold (expressed in fine troy ounces) held in the Secured Accounts (FX Hedge) in respect of such Class.

1.26 The Royal Mint Limited is the Custodian of the Gold held in the Secured Accounts in relation to the relevant Class of Gold Securities. The Royal Mint Limited is a limited liability company that is wholly owned by His Majesty's Treasury in the United Kingdom and is under an exclusive contract to supply all of the coinage in the United Kingdom. It is also a member of the LBMA.

1.27 Further details of the Custodian, the arrangements for the storage of Metal, the Secured Accounts and a summary of the terms of the Custody Agreements are set out under the heading "***Custody Agreements***" in **Section 9 – Description of Documents**.

Security

1.28 In addition, the Issuer and the Security Trustee (which, as at the Prospectus Date is the same person as the Trustee) have also entered into a separate Security Deed in respect of the relevant Class of Metal Securities. Pursuant to the Security Deed, all sums held by or on behalf of the Issuer to meet payment due in respect of its obligations owed to the Securityholders and the Secured Parties in respect of the Metal Securities (including, in the case of a Class of FX Hedged Metal Securities, the FX Hedge Counterparty) are the subject of a first fixed charge and floating charge in favour of the Security Trustee. The Trust Deed gives the Trustee and the Security Deed gives the Security Trustee, on trust for the Securityholders and the Secured Parties respectively, rights against the Issuer in respect of the Metal Securities. Further details of the security are set out in **Section 11 – Security Arrangements**.

FX Hedge

1.29 Each Class of FX Hedged Metal Securities have an FX Hedge component. The FX Hedge seeks to reduce the exposure of the Metal Securities to exchange rate fluctuations between the currency in which the FX Hedged Metal Securities are denominated (referred to in this Prospectus as the Relevant Currency) and the currency in which the price of the relevant Metal is denominated (referred to in this Prospectus as the Metal Currency). It does this by reflecting the effect of a notional forward sale of the Metal Currency (referred to in this Prospectus as the FX Forward Sale) and a notional forward purchase of the Relevant Currency (referred to in this Prospectus as the FX Forward Purchase) entered into between the Issuer and the FX Hedge Counterparty on a daily basis. The FX Hedge may result in gains or losses on a daily basis. In relation to the FX Hedged Gold Securities, such gains or losses (including the FX Hedge Expense) will be reflected in the Metal Entitlement per Security in respect of each calendar day, and will be settled on a net basis in respect of all Classes by the transfer of Gold between the Issuer and the FX Hedge Counterparty in accordance with the FX Hedge Agreements.

1.30 As at the Prospectus Date, HSBC Bank plc is the sole counterparty providing the FX hedge (the "**FX Hedge Counterparty**") under the Programme. The Issuer and the FX Hedge Counterparty will enter into (i) a foreign exchange overlay agreement dated 26 September 2024 (the "**FX Overlay Agreement**") and (ii) in respect of each Class of the FX Hedged Gold Securities, a 2002 ISDA Master Agreement (including its Schedule) dated 26 September 2024 (together with each confirmation evidencing any transaction in relation to such Class, the "**ISDA Master Agreement**" and, together with the FX Overlay Agreement, the "**FX Hedge Agreements**"). The Issuer and the FX Hedge Counterparty will enter into a separate ISDA Master Agreement in respect of each Class of the FX Hedged Gold Securities, which will only govern the terms of the transactions hedging the foreign exchange fluctuations and be linked to the occurrence of events (including any Compulsory Redemption Events) relating to such Class. The FX Hedge Agreements provide for, in respect of each Class of the FX Hedged Gold Securities, entry into FX Forward Sale and FX Forward Purchase transactions between the Issuer and the FX Hedge Counterparty. The gains and losses (including the FX Hedge Expense) from the FX Hedge will be netted in respect of all Classes of the FX Hedged Gold Securities, and converted into an amount of Gold for settlement on a daily basis in accordance with the FX Hedge Agreements. Such netting arrangement will however cease to include transactions relating to any Class of the FX Hedged Gold Securities where the Issuer is in default under the relevant ISDA Master Agreement or a Compulsory Redemption Event has occurred in respect of such Class. The Issuer may appoint other financial institutions or entities as additional or replacement FX Hedge Counterparties.

1.31 In relation to the FX Hedged Gold Securities, where there are net gains from the FX Hedge (including the FX Hedge Expense) in respect of all Classes of the FX Hedged Gold Securities, the FX Hedge Counterparty will deliver to the Issuer additional Gold equivalent to such gains under the FX Hedge Agreements. Where there are net losses from the FX Hedge in respect of all Classes of the FX Hedged Gold Securities, the Issuer will be required to deliver to the FX Hedge Counterparty Gold equivalent to such losses under the FX Hedge Agreements. All such deliveries will be in the form of Gold in unallocated form and will take place on a daily basis. The determination of any gains or losses from the FX Hedge and their settlement through the delivery of Gold will be effected on a net basis in respect of all Classes of FX Hedged Gold Securities.

1.32 Further details of the contract structure and the relevant Programme Documents are set out **Section 9 – Description of Documents**.

E. Transaction Structure and Flow of Funds

Authorised Participants and Flow of Funds

1.33 Metal Securities can be bought and sold for cash On-Exchange. The cash used to settle On-Exchange transactions is never delivered to the Issuer. Market makers work to ensure that there is sufficient liquidity on the Relevant Stock Exchanges. To aid this process, the Issuer may enter into Authorised Participant Agreements with certain financial institutions (the "**Authorised Participants**") pursuant to which those institutions may subscribe for Metal Securities on an ongoing basis.

1.34 Following a Subscription for Metal Securities, an Authorised Participant must deliver Metal with an aggregate weight equal to the Metal Entitlement of the Metal Securities into the Secured Accounts. Once the Metal is transferred to the Secured Allocated Account (or, if applicable, the Secured Allocated Account (FX Hedge)), the Issuer will create the Metal Securities and deliver them to the Authorised Participant via the Relevant Clearing System. The relevant Underlying Metal will be held with all other Metal attributable to that Class of Metal Securities in the Secured Accounts. The mechanics of the Subscription process are described in more detail in ***Subscription and Redemption*** below.

1.35 The Authorised Participant may then sell the Metal Securities in the secondary market either On-Exchange or in the OTC Market (i.e. outside of an exchange).

1.36 An Authorised Participant might also elect to keep the Metal Securities to hold themselves.

1.37 If a Securityholder wishes to Redeem its Metal Securities so as to take delivery of the relevant Underlying Metal, it must return those Metal Securities into the Relevant Clearing System and in return will receive Metal equivalent to the aggregate Metal Entitlement of the relevant Metal Securities which are being redeemed, through a transfer from the Secured Accounts into the Securityholder Metal Account. The mechanics of the Redemption process are described in more detail in ***Subscription and Redemption*** below and Condition 7 (***Redemption***) in **Section 13 – Terms and Conditions of Metal Securities**.

1.38 If a Securityholder wishes to dispose of its holding of Metal Securities for cash rather than Metal, they must sell them either On-Exchange or in the OTC Market. Note however that, a Metal Sale will apply in certain circumstances, including where (through no fault of the Issuer), the Metal to which the Securityholder is entitled on Redemption is not successfully delivered to the Securityholder by the 30th day after the Redemption Settlement Date, the Securityholder is a Prohibited Metal Holder or where there are no Authorised Participants. Further details of the Metal Sale process are set out in Condition 7.8 (***Metal Sale***) in **Section 13 – Terms and Conditions of Metal Securities**.

F. Subscription and Redemption

1.39 The Subscription and Redemption mechanisms are intended to ensure that Metal Securities have sufficient liquidity and that the price at which they trade on the Relevant Stock Exchanges tracks the relevant Metal price (before fees).

Subscription

1.40 Only an Authorised Participant may subscribe for Metal Securities by way of a valid Subscription Form in accordance with the terms of the applicable Authorised Participant Agreement and the Operating Procedures.

1.41 The Issuer will only accept a Subscription Form and issue Metal Securities if:

(a) the Subscription Form is determined to be valid by or on behalf of the Issuer;

(b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Metal Securities to be exceeded;

(c) the number of Metal Securities that are the subject of the Subscription Form is greater than the Subscription Minimum (defined below); and

(d) all other conditions precedent to an issue of the Metal Securities are satisfied, including the Authorised Participant's delivery of the relevant Metal in an amount equal to the required Metal Entitlement to the applicable Secured Allocated Account (or, if applicable, the Secured Allocated Account (FX Hedge)).

1.42 The Issuer may implement a minimum number of Metal Securities that may be applied for at any time (the "**Subscription Minimum**"). As at the Prospectus Date, the Subscription Minimum in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities is 34,000 Metal Securities. The Subscription Minimum in respect of any other Class of Metal Securities will be specified in the Final Terms.

Redemption Process

1.43 Each Metal Security carries a right on Redemption to delivery in Metal of an amount equal to the Metal Entitlement per Security. Any Securityholder may Redeem Metal Securities directly with the Issuer.

1.44 A Securityholder may Redeem Metal Securities by submitting a valid Redemption Form to require the Redemption of Metal Securities it holds for delivery of Metal (or, in limited circumstances, cash) in an amount equal to the Metal Entitlement of such Metal Securities (as calculated on the Trade Date) into the applicable Securityholder Metal Account on the Redemption Settlement Date.

1.45 The Issuer will only accept a Redemption Form if it complies with the list of requirements detailed in Condition 7.4 (***Redemption Form*s**) in **Section 13 – Terms and Conditions of Metal Securities**. If the Issuer determines that the Redemption Form complies with these conditions, it shall confirm to the Securityholder that the Redemption Form is valid as soon as reasonably practicable, with the date of such confirmation being the Trade Date.

1.46 No Metal Securities may be Redeemed pursuant to a Redemption Form that the Issuer has not confirmed (in its absolute discretion) as valid.

1.47 No Redemption Form will be validated by the Issuer unless the Securityholder complies with all compliance and identification checks reasonably required by the Issuer ("**KYC**"), and the results of such checks are determined to be satisfactory to the Issuer and/or its agents.

1.48 The Issuer is entitled, in its absolute discretion, to determine whether KYC requirements apply to any Redeeming Securityholder and whether such KYC requirements have been satisfied (including where the Redeeming Securityholder is

an Authorised Participant, whether KYC requirements have already been satisfied). The Issuer shall not be responsible or liable to any person for any loss or damage suffered as a result of it conducting KYC.

Redemption by Non-AP Securityholders

1.49 Notwithstanding, any other requirements listed in Condition 7.4 (***Redemption Forms***) that are applicable on any Redemption, in respect of a Redemption Form submitted by a Non-AP Securityholder, the Issuer will not validate a Redemption Form until:

(a) the Non-AP Securityholder specifies a Securityholder Metal Account into which the relevant Metal can be deposited (except in the case of a Metal Sale);

(b) KYC in respect of such Non-AP Securityholder is determined to be satisfactory to the Issuer; and

(c) the Non-AP Securityholder pays the Redemption Fee (see **Redemption Fee** below for further details).

Settlement

1.50 In relation to any Optional Redemption, the Securityholder of the Metal Securities subject to the Redemption must, (and the relevant Metal Securities will only be cancelled following):

(a) in the case of Metal Securities that are in Uncertificated Form or in global form (either CGN or NGN form or the new safekeeping structure), transfer by the Securityholder of the Metal Securities into an appropriate account with the Relevant Clearing System; and

(b) in the case of Metal Securities that are in Certificated Form, delivery by the Securityholder of the Metal Securities and any certificates representing them to the Issuer in such manner as the Issuer may agree.

1.51 Provided that the Redeeming Securityholder complies in full with its Securities Delivery Obligation by the time specified in Condition 7.6 (***Redemption Obligations***), the Issuer will effect the Redemption on the second business day following the Trade Date.

1.52 In relation to any Optional Redemption, the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Metal Sale such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day.

1.53 The Programme offers two mechanisms for Redemption, Metal Delivery and Metal Sale.

Metal Delivery

1.54 In the case of a Metal Delivery, the Issuer shall upon receipt of the relevant valid Redemption Form instruct the Custodian to transfer Metal in at least an amount equal to the Metal Entitlement of such Metal Securities, calculated as of the Trade Date. This Metal will be delivered from the relevant Secured Accounts to the applicable Securityholder Metal Account on the Redemption Settlement Date.

1.55 All title to and risk in such Metal shall pass to the Redeeming Securityholder on the relevant Redemption Settlement Date.

Metal Sale

1.56 In respect of an Optional Redemption, Metal Sale will apply where:

(a) provided it is permitted to do so in accordance with the Conditions, a Non-AP Securityholder selects Metal Sale as the Redemption Mechanism (for example where there are no Authorised Participants or where that Non-AP Securityholder is a Prohibited Metal Holder); or

(b) the Metal that is the subject of a Redemption is not successfully delivered to the Securityholder by the 30th day after the Redemption Settlement Date; or

as further detailed in Condition 7.8 (***Metal Sale***) in **Section 13 – Terms and Conditions of Metal Securities**.

1.57 Where Metal Sale is the applicable Redemption Mechanism:

(a) the Issuer will give notice to the Metal Agent under the Metal Agent Agreement to sell on the Metal Sale Date at least an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities being Redeemed (with the proceeds of such sale being the Actual Redemption Sale Proceeds);

(b) the Metal Agent shall be entitled to deduct Taxes and its expenses from the Actual Redemption Sale Proceeds in accordance with the terms of the Metal Agent Agreement; and

(c) a Securityholder will, rather than take delivery of Metal, be paid the Net Redemption Sale Proceeds in US dollars (or its pro-rata share of the Metal Entitlement if more than one Securityholder in that Class of Metal Securities is subject to the Metal Sale) into the Securityholder Cash Account.

Redemption Fee

1.58 In the case of an Optional Redemption by a Non-AP Securityholder, the Issuer will not validate the associated Redemption Form until it receives the Redemption Fee in cleared funds from the Securityholder. The Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the Issuer's costs of complying with the

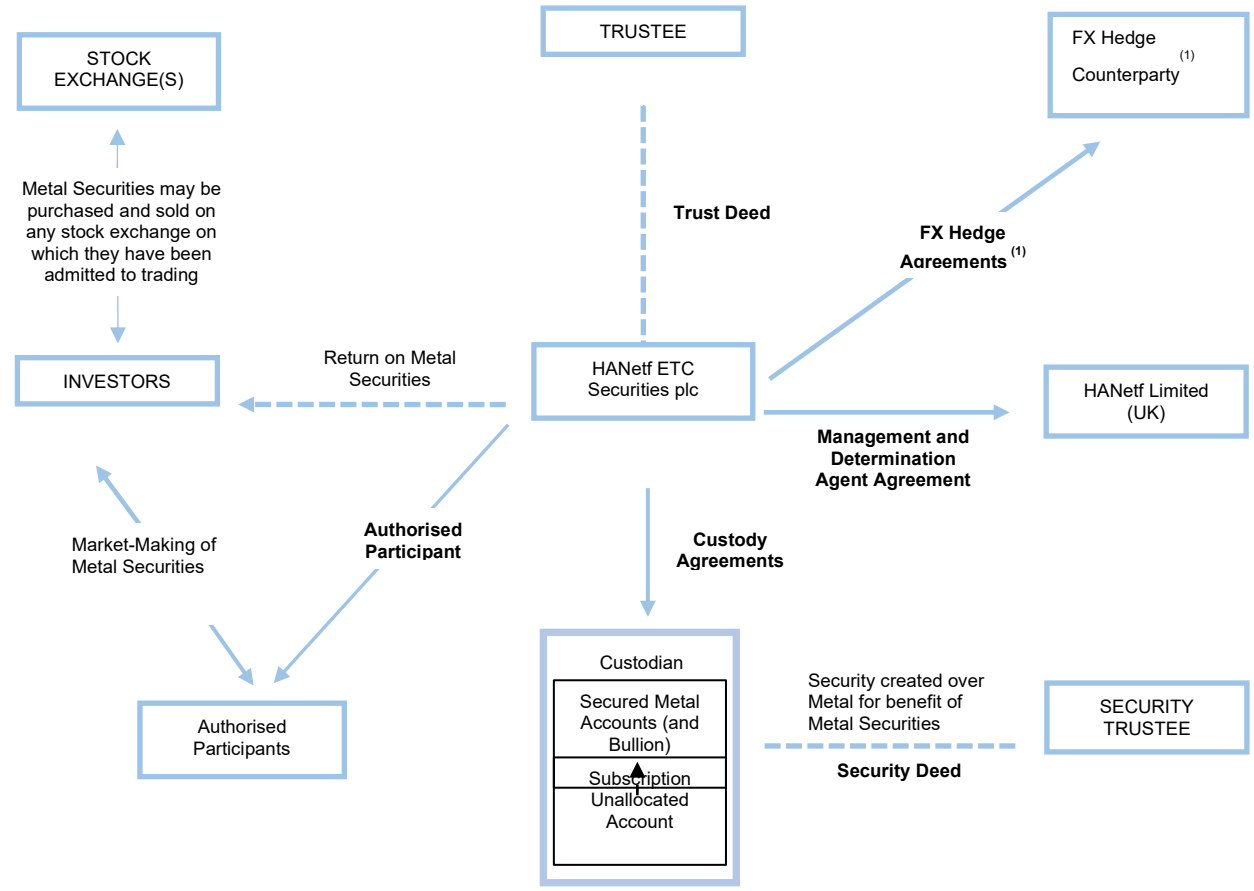
Redemption Form. This cost will be notified to the Non-AP Securityholder at the time of the Redemption, and will not be greater than €600.

1.59 On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee payable by a Securityholder shall be the amount specified in the Operating Procedures.

1.60 On a Compulsory Redemption of Metal Securities by the Issuer, the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (***Notices***).

1.61 Further details of the Redemption processes are set out in the Conditions, which are set out in Condition 7 (***Redemption***) in **Section 13 – Terms and Conditions of Metal Securities**.

1.62 The principal aspects of the above-mentioned transaction structure are set out in the below diagram.



(1) For FX Hedged Metal Securities

G. Compulsory Redemption

1.63 The Metal Securities shall become due and payable if any of the events set out in Conditions 8.1 to 8.4 (inclusive) occur (***Compulsory Redemption***). Following the occurrence of any such event, the Issuer (and/or, in the case of an Event of Default, the Trustee following requisite direction by the Securityholders) may give notice designating an early redemption of the Metal Securities. These events include:

(a) **an Issuer Call Redemption Event**. The Issuer may, at any time, upon not less than 30 days' notice by an announcement on a RIS to the Securityholders, redeem all or some of the Metal Securities;

(b) **a Threshold Redemption Event**. If on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the cash value of the Metal Entitlement per Security as calculated by the Determination Agent is less than 175 per cent. of the Principal Amount of such Metal Securities;

(c) certain key service providers of the Issuer resign or their appointment in relation to such Class is terminated for any reason and no successor or replacement has been appointed at the time such resignation or termination takes place;

(d) a change in law occurs which results in (or the Issuer reasonably expects that such change in law will result in):

(i) the Issuer's performance of its obligations relating to the Metal Securities being in contravention of applicable law; or

(ii) a material increase in the Issuer's costs in performing its obligations relating to the Metal Securities;

(e) **an Event of Default**. An event of default occurs in respect of such Class including certain breaches by the Issuer of its obligations; and

(f) the Issuer may redeem any Metal Securities which it considers, in its absolute discretion:

(i) are held in breach of law; or

(ii) that the ownership of such Metal Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

1.64 With respect to FX Hedged Metal Securities:

(a) in addition to the events set out above, the Issuer may give notice designating an early redemption of such FX Hedged Metal Securities if (i) the FX Overlay Agreement is terminated or (ii) if an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding transactions relating to the relevant Class has been designated or deemed to have been designated

by the Issuer or the FX Hedge Counterparty, as applicable, under the ISDA Master Agreement for such Class for any reason, provided that in each case no replacement arrangement has been entered into at the time that such termination takes effect; and

(b) an additional Event of Default applies upon (a) the designation by the FX Hedge Counterparty (as the non-defaulting party) of an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding transactions relating to such Class following the occurrence of an event of default under Section 5(a)(i) (Failure to Pay or Deliver) of the ISDA Master Agreement (in respect of which the Issuer is the defaulting party following the end of any applicable grace period specified in the ISDA Master Agreement) or (b) the failure of the Issuer to pay an Early Termination Amount (as defined in the ISDA Master Agreement) under Section 6(d) (Calculations; Payment Date) of the ISDA Master Agreement.

H. Settlement

1.65 The Metal Securities may be issued:

(a) in bearer form, including in NGN form and in CGN form and serially numbered ("**Bearer Securities**");

(b) in registered form (whether in CGN form or in global registered form using the new safekeeping structure) ("**Registered Securities**"); or

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities ("**Uncertificated Registered Securities**").

1.66 The settlement of transactions in Metal Securities will take place within the Relevant Clearing System. Where the Relevant Clearing System used is CREST, the Metal Securities will be participating securities.

1.67 The Issuer (nor any other Programme Party) will have any responsibility for the performance of the Relevant Clearing System, which is independent of the Programme.

I. Tax

1.68 Your attention is drawn to **Section 14 – Tax** which provides information on taxation relating to the Metal Securities. If an investor is in any doubt about the tax position, it should consult a professional adviser.

J. Regulation

UCITS

1.69 UCITS Schemes will need to take into account the restriction on such schemes owning or taking delivery of gold. Accordingly, UCITS Schemes will be deemed to be

Prohibited Metal Holders, and in the event that such a scheme elects to Redeem The Royal Mint Responsibly Sourced Physical Gold ETC Securities (or any other Class backed by gold), such a Redemption will only be permitted by Metal Sale, as described in "**Metal Sale**", above and Condition 7.8 (***Metal Sale***).

1.70 The Metal Securities constitute transferable securities and are not in investment in gold. Prospective investors that are UCITS Schemes need to satisfy themselves that an investment in the Metal Securities would comply with any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives. If any such investor is in any doubt with regard to its ability to invest in the metal Securities, it should consult a professional advisor prior to making any investment in Metal Securities.

Collective Investment Schemes

1.71 The Metal Securities are not units in an authorised collective investment scheme and the Issuer is not required to seek authorisation as, or appoint, an alternative investment fund manager, under the relevant Irish legislation implementing EU Directive 2011/61/EU on Alternative Investment Fund Managers. The Metal Securities are also not shares or units in collective investment schemes within the meaning of Swiss Collective Investment Schemes Act of 23 June 2006 ("**CISA**"). They have not been approved by the Swiss Financial Market Supervisory Authority ("**FINMA**") and are not subject to its supervision. The Metal Securities are not issued or guaranteed by a supervised financial intermediary within the meaning of the Swiss Financial Infrastructure Act ("**FinIA**").

Money Laundering Regulations

1.72 The verification of identity requirements of all applicable Irish and EU anti-money laundering laws and regulations, to include, but not limited to, the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019, the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 (as amended by the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Acts 2013 and 2018) (the "**Applicable Irish and EU AML Legislation**") will apply to the Programme. This means that verification of the identity of parties that deals with the Issuer may be required. This includes all Authorised Participants and also in circumstances where a Non-AP Securityholder elects to Redeem its Metal Securities.

1.73 The anti-money laundering laws and regulations of other jurisdictions may also apply to the Programme and verification of the identity of the Securityholders.

1.74 Each Authorised Participant that submits a Subscription Form (and/or any Securityholder that deals directly with the Issuer) confirms that it is subject to and acts in compliance with the Applicable Irish and EU AML Legislation, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (in relation to the UK) and/or any other applicable anti-money laundering laws and regulations (the "**UK Anti-money Laundering Regulations**") and/or undertakes to provide such other evidence of identity as is required by the

Issuer at the time of lodging the Subscription Form, or, at the absolute discretion of the Issuer, at such specified time thereafter as may be requested to ensure compliance with the Applicable Irish and EU AML Legislation and the UK Anti-money Laundering Regulations.

1.75 The Issuer is entitled, in its absolute discretion, to determine whether KYC requirements apply to any Securityholder prior to the acceptable of a Redemption Form or Subscription Form, and whether such KYC requirements have been satisfied. The Issuer shall not be responsible or liable to any person for any loss or damage suffered as a result of it conducting KYC.

Deposits

1.76 Any investment in the Metal Securities does not have the status of a bank deposit and is not within the scope of the Deposit Guarantee 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 Metal Securities.

SECTION 2 – RISK FACTORS

2.1 An investment in Metal Securities involves a significant degree of risk. Prior to making an investment decision, prospective investors should carefully read the entire Prospectus, including the risk factors set out below, as well as conducting their own independent analysis, in order to reach their own views prior to making any investment decision.

2.2 Factors which the Issuer believes may be material for the purpose of assessing the risks associated with Metal Securities are described below. However, the Issuer does not represent that the risk factors set out below are exhaustive and a Securityholder may lose some or the entire value of its investment for reasons other than those set out in the risk factors below (for example reasons not currently considered by the Issuer to be material or based on circumstances or facts of which the Issuer is not currently aware).

2.3 The below risk factors are split into the following categories:

A. Market Price of the Metal Securities

B. Risks Relating to the Underlying Metal

C. Risks Relating to the FX Hedge

D. Risks Relating to the Custodian and the Metal Agent

E. Operational Risks

F. Risks Relating to Security

G. Risks Relating to the Issuer and its Legal Structure

H. Risks Relating to Legal Matters

I. Risk Relating to the FX Hedge Counterparty

A. Market Price of the Metal Securities

2.4 Risk of Adverse Price Movements

The price of Metal Securities will be affected by a number of factors that are not within the Issuer's control, including:

(a) the value and volatility of the Underlying Metal and Metals in general (see Risk Relating to the Underlying Metal, below);

(b) market perception, interest rates, yields and foreign exchange rates;

(c) the creditworthiness of the Programme Parties; and

(d) liquidity in the Metal Securities On-Exchange (see paragraph below for more information).

In addition, in respect of any FX Hedged Metal Securities, any gains or losses on the FX Hedge will also be taken into account and will affect the Metal Entitlement per Security positively (in the case of an FX Hedge gain) or negatively (in the case of an FX Hedge loss). This gain or loss reflects the gain or loss that a person would have been subject to if they had attempted to hedge their currency exposure as compared with the position they would have been in had they not done so. The foreign exchange market may be volatile and may move in adverse directions rapidly, which could have a significant negative effect on of the price of the relevant FX Hedged Metal Securities.

Prospective investors should be aware that the secondary market price of the Metal Securities can go down as well as up throughout the life of the Metal Securities. Prospective investors should be aware that the market price of the Metal Securities on any day may not reflect their prior or future performance.

As a result of adverse price movements, a Securityholder may lose the value of its entire investment or part of its investment in Metal Securities.

2.5 Secondary Market and Liquidity Risk

At any time, the price at which Metal Securities are traded on a Relevant Stock Exchange (or any other exchange or market on which they may be quoted or traded) may not reflect accurately the value of the Underlying Metal that backs such Metal Securities.

The Subscription and Redemption procedures for Metal Securities are intended to minimise this potential difference. However, the market price of Metal Securities will be a function of supply and demand amongst investors wishing to buy and sell Metal Securities and the bid-offer spread that market-makers are willing to quote for Metal Securities.

Metal Securities may trade at a premium. Investors who pay a premium risk losing the premium if demand for Metal Securities abates. For example, Authorised

Participants have the right to request that the Issuer issue further tranches of Metal Securities. If this request is accepted by the Issuer, this will increase supply and could reduce any such premium.

Investors are dependent on there being Authorised Participants making a market in Metal Securities to minimise the difference between the secondary market price and the value of the Metal Securities, and to provide investors with liquidity. There can be no assurance as to the depth of the secondary market (if any) in Metal Securities, which could affect their liquidity and market price.

An Authorised Participant is under no obligation to make a market in Metal Securities and it is impossible to guarantee that one or more Authorised Participants would purchase Metal Securities on a given day and/or at a particular price, which may result in a lack of liquidity at any given time.

If there is limited liquidity, the price at which a Securityholder may be able to sell its Metal Securities at any time may be substantially less than the price paid by that Securityholder for the same Metal Securities.

B. Risk Relating to the Underlying Metal

2.6 Risks Relating to Price of Underlying Metal

The Metal Securities are linked to precious metals. Prospective investors should note that the value of a Class of Metal Securities will be affected by movements in the price of the Underlying Metal. Adverse movements in the price of an Underlying Metal may negatively affect the return to Securityholders. For example, if a Securityholder sells their Metal Securities on a date when the price of the relevant type of Underlying Metal has fallen below the price when the Securityholder purchased their Metal Securities, the Securityholder could lose some or all of the value of their investment in the Metal Securities.

The price of metal fluctuates widely and is affected by numerous factors beyond the Issuer's control, including:

(a) global or regional political, economic or financial events and situations (including pandemics, such as "COVID 19");

(b) investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;

(c) global supply and demand of the relevant markets, which is influenced by such factors as mine production and net forward selling activities by producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;

(d) political and economic instability in the locations where the Metal is produced, potentially impacting purchaser confidence, supply and demand, and, ultimately, the price of the Metal;

(e) interest rates and currency exchange rates, particularly the strength of and confidence in the US Dollar; and

(f) investment and trading activities of hedge funds, commodity funds and other speculators.

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 Metal Securities and this may lead to a fall in the price of Metal Securities which will have an adverse impact on any investor that purchased the Metal Securities at a higher price.

Central banks, other government agencies and supranational organisations, such as the International Monetary Fund, that buy, sell and hold precious metals as part of their reserve assets may decide to sell a portion of their assets, which are not normally subject to use in the open market. A number of central banks, including the Bank of England, have sold significant portions of gold over the last 20 years, which has meant that governmental and supranational organisations have generally been

a net supplier to the open market. If there are sales of gold or other precious metals by the public sector to the private sector there may be an excess of supply over demand, leading to a lower price on the open market for a relevant precious metal and consequently a decrease in the value of the Metal Securities.

Adverse movements in the price of Metal may negatively affect the return to Securityholders who sell their Metal Securities when the price of the relevant Metal has decreased since the time they purchased their Metal Securities.

2.7 **Shortage of Metal**

Metal markets have the potential to suffer from market disruption or volatility caused by shortages of physical metal. Such events could result in sudden increases in Metal prices for a short period (also known as price spikes).

Price spiking can also result in volatile forward rates and lease rates which could result in the bid/offer spread in the Metal Securities on any Relevant Stock Exchange to widen, reflecting short-term forward rates in the Metal.

There has been growth of investment products offering investors an exposure to precious metals (including products similar to the Metal Securities) which has had an impact on the supply and demand profile of the precious metals market. Changes in supply and demand for these types of investment products will directly impact the supply and demand for the underlying precious Metal. This may have the effect of increasing volatility in the price and supply of the precious metal.

Products such as the Metal Securities require the purchase and sale of the precious metal, and, depending on the success of such products, this may lead to a substantial increase in the volume of transactions, which will ultimately have an effect on the price of the Metal Securities.

2.8 **The fallout from Russia's invasion of Ukraine is impacting the global, Irish and UK economies**

On 24 February 2022, Russia announced its decision to conduct "special military operations" in Ukraine. The fallout from the ongoing conflict has dampened economic activity globally and in Ireland and the UK and raised prices and costs for consumers and businesses, and central banks have responded to the increase in inflation by raising interest rates. Increased sanctions on Russia have been imposed by the European Union, the United States and the UK, among others. Any escalation of the conflict and imposition of additional sanctions resulting in a restriction of energy supplies and a further increase in energy prices would adversely impact the global, European, Irish and UK economies, resulting in higher inflation and lower growth and possibly recession.

This in turn could have a material adverse effect on the business, financial condition, results of operations, capital, liquidity and/or prospects of financial institutions, as well as the ability to source products, such as the Metal.

C. Risks Relating to the FX Hedge

2.9 Impact of the FX Hedge on the Metal Entitlement per Security

In respect of a Class of FX Hedged Metal Securities, the formula for the calculation of the Metal Entitlement per Security will reflect the effect of a rolling FX Hedge, entered into between the Issuer and the FX Hedge Counterparty on a daily basis. Such FX Hedge involves the notional forward sale of the Metal Currency (i.e. the currency in which the price of the relevant Metal is denominated) and purchase of the Relevant Currency (i.e. the currency in which such Class of FX Hedged Metal Securities are denominated) and is designed to reduce the exposure of such Class of FX Hedged Metal Securities to exchange rate fluctuations between such currencies. These transactions are known as the FX Forward Sale and the FX Forward Purchase.

It is important for Investors to understand that the FX Hedge does not fully eliminate the impact which exchange rate movements have on the value of the relevant Class of FX Hedged Metal Securities. Consequently, adverse movements in the foreign exchange rates between the Metal Currency and the Relevant Currency may decrease the value of the relevant Class of FX Hedged Metal Securities.

2.10 Deduction of the FX Hedge Expense

The Issuer's entry into the transactions with the FX Hedge Counterparty will incur the FX Hedge Expense (which will be calculated by reference to a rate per annum initially specified in the Final Terms in respect of such Class and subsequently updated on the Issuer's Website). The gains or losses of the FX Hedge, including a daily reduction for the FX Hedge Expense, will be settled by the delivery of Metal between the Issuer and the FX Hedge Counterparty in accordance with the FX Hedge Agreements and reflected in the Metal Entitlement per Security in respect of each calendar day. In respect of a Class of FX Hedged Metal Securities, the deduction of the FX Hedged Expense will reduce the Metal Entitlement per Security in respect of a Class of FX Hedged Metal Securities.

2.11 Disruption of the FX Hedge

In respect of a Class of FX Hedged Metal Securities, any disruption to the trading in foreign exchange contracts between the Metal Currency and the Relevant Currency or the non-publication of foreign exchange rates can affect the price of the FX Hedge (which comprises the FX Forward Sale and the FX Forward Purchase) and consequently the Metal Entitlement per Security. Such disruption could result in non-calculation and non-publication of the Metal Entitlement per Security for the period of such disruption. In extreme cases, this may also result in the early redemption of the relevant Class of FX Hedged Metal Securities.

2.12 Exposure to the Creditworthiness of the FX Hedge Counterparty

As a result of settlement under the FX Hedge transactions taking place on a daily basis, in the event that the FX Hedge Counterparty fails to settle the daily net gain in

respect of the FX Hedge (including the FX Hedge Expense reduction) by transferring Metal in unallocated form to the Issuer, the Issuer may at times hold an amount of Underlying Metal that is less than the aggregate Metal Entitlement per Security in respect of all outstanding FX Hedged Metal Securities of such Class.

Where the amount of Underlying Metal held by the Issuer is less than the aggregate Metal Entitlement per Security in respect of all outstanding FX Hedged Metal Securities of such Class, the Issuer and, therefore the Securityholders, will have an unsecured credit exposure to the FX Hedge Counterparty. Any failure by the FX Hedge Counterparty to deliver the amounts of Metal in unallocated form required under the FX Hedge Agreements may have a negative effect on the Metal Entitlement per Security and thus the value of the FX Hedged Metal Securities of such Class. Therefore, Securityholders of the relevant Class of FX Hedged Metal Securities are exposed to the creditworthiness of the FX Hedge Counterparty.

2.13 **Transfer of Metal in Unallocated Form under the FX Hedge Agreements**

With respect to FX Hedged Metal Securities, any transfer of Metal under the FX Hedge Agreements will require the transfer of such Metal in unallocated form. This arrangement may require the Issuer to de-allocate Underlying Metal held in allocated form in advance of a settlement required to be made by the Issuer to the FX Hedge Counterparty, or result in the Issuer holding Underlying Metal in unallocated form (prior to allocation by the Custodian) after receipt of a transfer from the FX Hedge Counterparty, in each case pursuant to the FX Hedge Agreements. Holdings of Underlying Metal in unallocated form are subject to the risks described in the risk factor entitled ***Risks Relating to the Secured Unallocated Accounts*** above.

2.14 **Risks relating to Data**

In relation to the FX Hedge transactions (which comprises the FX Forward Sale and the FX Forward Purchase) entered into between the Issuer and the FX Hedge Counterparty under the FX Hedge Agreements, the total notional amount of these transactions is intended to correspond with the total outstanding amount of the relevant Class of FX Hedged Metal Securities each day, plus the total net amount of validated but unsettled orders for any FX Hedge transactions as of such day. In order to maintain this alignment, the FX Hedge Counterparty requires the Relevant Data within certain timeframes to calculate and enter into transactions for the total notional size of the FX Hedge each day. Therefore, the effectiveness of the FX Hedge transactions will be conditional on the Relevant Data, by reference to which such transactions will be executed, being up-to-date, accurate and correct.

It is important for Investors to understand that in the following circumstances mismatches between the FX Hedge and the Investors' exposure to daily foreign exchange fluctuations may arise:

(a) **Delayed Data**: If the FX Hedge Counterparty does not receive the Relevant Data (including, without limitation, data relating to the securities outstanding) from the Issuer by the required time on a Scheduled Valuation Day, the FX Hedge Counterparty will extend or renew the FX Hedge transactions by

reference to the Relevant Data relating to the previous Scheduled Valuation Day. This may result in either over- or under-hedging. For instance, if the provision of data relating to the securities outstanding is delayed (or it is not received by the FX Hedge Counterparty by the required time) for any reason, the FX Hedge Counterparty will execute the relevant FX Hedge Transactions in respect of the current Scheduled Valuation Day based on the previous Scheduled Valuation Day's securities outstanding data plus the previous Scheduled Valuation Day's net validated orders.

(b) **Revised Data**: Certain Relevant Data (which includes, without limitation, the Metal Reference Price, the Spot Reference Level and the Forward Reference Level) will be obtained from third party data sources. If the Original Relevant Data provided to the FX Hedge Counterpart is subsequently revised by the relevant data source, the corresponding Revised Relevant Data may be provided to the FX Hedge Counterparty. In accordance with the FX Overlay Agreement, if the Revised Relevant Data is provided to the FX Hedge Agreement after the instruction for any FX Hedge transactions has been given on the basis of the Original Relevant Data, the FX Hedge Counterparty will execute the relevant FX Hedge transactions on the basis of the Original Relevant Data instead of the Revised Relevant Data.

(c) **Incorrect Data**: In cases where each of the Issuer and the FX Hedge Counterparty independently confirms the Relevant Data, such data shall be deemed to be correct and accurate in all respects and will constitute the Original Relevant Data. If any relevant data is subsequently identified by either party to be incorrect or inaccurate, the Original Relevant Data (and the FX Hedge Transactions executed on the basis of such data) will continue to stand.

In addition, investors should note that the LBMA gold price is administered and published by ICE Benchmark Administration Limited (IBA), and serves as, or as part of, an input or underlying reference for the FX Hedged Gold Securities, and that where IBA is negligent, in breach of its statutory duty or otherwise fails to comply with its legal and regulatory obligations this may result in inaccuracies, errors, omissions, delays, failures, cessations or changes (material or otherwise) in the LBMA gold price, which could have an impact (potentially materially adversely) on the value of the relevant Class of FX Hedged Metal Securities.

In none of the circumstances described above shall the Issuer (or any other Programme Party) be under any obligation to revise any calculations in connection with the Metal Entitlement per Security (including any of the components set out in the formula for its calculation).

Investors should therefore be aware that in instances of delay, revision or error with respect to the Relevant Data, (i) the total notional amount of the FX Hedge may not align with the outstanding amount of the relevant Class of FX Hedged Metal Securities for the relevant day and/or (ii) there may be mismatches between the FX Hedge and the Investors' exposure to daily foreign exchange fluctuations. Any such

misalignment or mismatch could negatively affect the value of the relevant Class of FX Hedged Metal Securities compared to the value of such Class of FX Hedged Metal Securities had the Revised Relevant Data been used.

2.15 **Exposure to the Creditworthiness of Authorised Participants**

Authorised Participants may place a subscription or redemption order for any FX Hedged Metal Securities and, if the relevant order is validated, the FX Hedge Counterparty will adjust the FX Hedge on the relevant day. In the case of FX Hedged Metal Securities, if an Authorised Participant fails to settle the subscription or redemption order, the FX Hedge Counterparty will settle any gains or losses through the transfer of Metal with the Issuer. If an Authorised Participant fails to meet its obligations, the Metal Entitlement relating to the relevant Class of FX Hedged Metal Securities could be negatively impacted. Securityholders are therefore exposed to the creditworthiness of Authorised Participants on the FX Hedge profit (if there are redemptions by an Authorised Participant) or FX Hedge loss (if there are subscriptions by an Authorised Participant) on all unsettled orders from each Authorised Participant, until such time as those outstanding orders are settled.

2.16 **Termination of the FX Hedge Agreements**

If any of the FX Hedge Agreements are terminated in accordance with their terms, it is not certain if the Issuer will be able to appoint a replacement FX Hedge Counterparty and put in place an arrangement prior to such termination taking effect such that the FX Hedge will continue. If the Issuer is not able to appoint a replacement FX Hedge Counterparty, this may lead to the early redemption of the relevant Class of the FX Hedged Metal Securities.

D. Risks Relating to the Custodian and the Metal Agent

2.17 Risks Relating to the Secured Unallocated Accounts

While the Issuer has put in place arrangements to minimise the holding of Metal in Secured Unallocated Accounts (or, if applicable, Secured Unallocated Accounts (FX Hedge)) including issuing the Metal Securities only after the underlying Metal has been allocated to the Secured Allocated Accounts (or, if applicable, the Secured Allocated Account (FX Hedge)), a portion of the Metal will be held in the Secured Unallocated Accounts – in each case for a short period of time – to help maximise the efficiency of the Subscription and Redemption process.

Unlike the Metal held in a Secured Allocated Account (or, if applicable, the Secured Allocated Account (FX Hedge)) (which the Issuer has full title to), Metal held in the Secured Unallocated Accounts (or, if applicable, the Secured Unallocated Account (FX Hedge)) does not give proprietary rights to specific bars of Metal. Instead, pursuant to the terms of the relevant Secured Unallocated Custody Agreement, the Custodian has a contractual obligation that it owes to the Issuer to transfer the amount of Metal held in those accounts. This means that the Issuer's position is that of an unsecured creditor (in other words, the Custodian owes the Issuer a debt in respect of its general entitlement to the relevant amount of Metal held in the Secured Unallocated Account (or, if applicable, Secured Unallocated Accounts (FX Hedge))).

If the Custodian were to become insolvent, then the Issuer will rank as an unsecured creditor of the Custodian in respect of such Metal sitting in unallocated form in the Secured Unallocated Accounts (or, if applicable, Secured Unallocated Accounts (FX Hedge)). In this scenario, the Custodian's assets may not be sufficient to satisfy a claim by the Issuer, the Trustee or the Security Trustee for the amount of Metal held in the relevant Secured Unallocated Account (or, if applicable, Secured Unallocated Accounts (FX Hedge)), which could result in a loss to the Securityholders of some or all of their investment in the Metal Securities.

2.18 Risks Relating to the Secured Allocated Accounts

The Issuer's ability to meet its obligations with respect to the Metal Securities could be affected by the actions of the Custodian or its agents or by events affecting the Custodian. In particular, if any Metal is lost, stolen or damaged, or is fraudulently removed from the control of the Custodian, or the Custodian is subject to a force majeure event beyond its reasonable control which prevents it from delivering up Metal, then, in each case the Issuer would not be able to satisfy all of its obligations in respect of the Metal Securities which would result in a loss to Securityholders. Pursuant to the terms of the Custody Agreements, Metal may also be held with a Sub-custodian (such Sub-custodian being regulated by the FCA and/or the PRA with Vaults in the United Kingdom), who will have entered into a sub-custody agreement with the Custodian. Depending on the precise relationship between the Custodian and the Sub-custodian pursuant to such agreement (which the Issuer is not party to), the Custodian may be subject to the credit risk of the Sub-custodian.

In the event of an insolvency of the Custodian or any relevant Sub-custodian, the allocated Metal held by the Custodian (or any relevant Sub-custodian) in the relevant Secured Allocated Account (or, if applicable, the Secured Allocated Account (FX Hedge)) for the benefit of the Issuer should be protected as such Metal should be identified separately from the assets of the Custodian, any relevant Sub-custodian and its other clients. However, there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the Metal (whether in full or in part) held in the Secured Allocated Account(s) (or, if applicable, the Secured Allocated Account (FX Hedge)) with the Custodian or relevant Sub-custodian on a timely basis. In addition, the Issuer could incur expenses in connection with having to assert its claims against the relevant Metal, even where it can ascertain that it has title to such Metal.

Although the Custodian is required to allocate (and provide a daily Bar List of all such allocated Metal) and segregate Metal held for the Issuer from any assets held by the Custodian for other clients and the Custodian's own assets, (and the Custodian is required to ensure that the Sub-custodians allocate and segregate Metal held for the Custodian (and marked as relating to the Issuer) from any assets held for other clients and the Sub-custodian's own assets), Securityholders will be at risk if the Custodian or any relevant Sub-custodian does not, in practice, maintain such a segregation in breach of their obligations to the Issuer or, as applicable, the Custodian. This could result in the Securityholders suffering a loss of some or all of their investment in the Metal Securities if the failure to segregate Metal held for the Issuer meant that it was not possible to identify the allocated Metal held for the benefit of the Issuer from the assets of the Custodian, any relevant Sub-custodian or any of their respective clients.

2.19 **Access Risk**

In order to effect a Subscription or Redemption, Metal may be transferred between different locations across the United Kingdom. In respect of the Gold Securities, Underlying Metal will be held in the Royal Mint Limited's Vault (located in Wales) and will be transferred to a Securityholder Metal Account (loco London) to effect a Redemption. Once the Metal is allocated (and therefore becomes Underlying Metal) this Metal will be held in the Secured Allocated Accounts (or, if applicable, the Secured Allocated Account (FX Hedge)) which will be held by the Custodian at its Vault or in the Vaults of a Sub-custodian appointed by the Custodian (or by a delegate of a Sub-custodian provided that it is regulated by the FCA and/or the PRA). Access to such Metal, whether in transit or when held in a Vault could be lost, or at least restricted, by natural events, such as flooding, or human actions, such as a terrorist attack.

If such transit and/or access risk causes or contributes to the loss of Underlying Metal (and the Custodian is unable to replace such Metal), the Issuer would not be able to satisfy its obligations in full in respect of the Metal Securities and in such circumstances, Securityholders could suffer a loss in respect of some or all of their investment in the Metal Securities.

2.20 **Insurance Risk – No Duty for the Custodian to Provide Insurance for the Benefit of the Issuer**

The Custodian may make such insurance arrangements for its own benefit in connection with its custodial obligations pursuant to the Custody Agreements with respect to Metal held in a Secured Account as it considers fit and customary for precious metal storage but is under no obligation to provide insurance for the benefit of the Issuer in respect of the Underlying Metal it holds for the Issuer. In addition, neither the Trustee nor the Security Trustee is responsible for ensuring that adequate insurance arrangements have been made, or for insuring Metal held in the Secured Accounts, and is not required to make any enquires of such arrangements.

Accordingly, if any Metal forming part of the Secured Property attributable to any Metal Securities is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Issuer and/or the Trustee and/or the Security Trustee, the Custodian's insurance coverage may not be sufficient to satisfy the claim and the Issuer may not be able to satisfy its obligations in respect of the Metal Securities resulting in a loss to Securityholders of some or all of their investment in the Metal Securities.

2.21 **Risks Relating to the Performance of the Custodian**

The custodial service provided by the Custodian under the Custody Agreement is not a regulated activity subject to the supervision and rules of the FCA.

The ability of the Issuer, the Trustee and the Security Trustee to monitor the performance of the Custodian is limited because, under the relevant Secured Allocated Custody Agreement, the metal auditors of the Issuer and the Security Trustee have only limited rights to visit the premises of the Custodian, for the purpose of examining the Metal and certain related records maintained by the Custodian. This access right is subject to such reasonable conditions as the Custodian may require (although the Custodian is obliged to permit such access by metal auditors to its premises at least bi-annually).

Under the Custody Agreement, the Custodian is only liable for losses that are the direct result of its own negligence, fraud or wilful default in the performance of its duties and then only up to the aggregate market value of the Metal lost or damaged at the time such negligence, fraud or wilful default is discovered by the relevant Custodian.

The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Custodian in circumstances where the Metal is lost or stolen in custody and/or the records of the Custodian are inconsistent, which could result in the Issuer not being able to satisfy its obligations in respect of the Metal Securities which could, in turn, result in a loss to Securityholders of some or all of their investment in the Metal Securities.

2.22 **Risks Relating to Termination of the Custody Agreements**

Following the expiry of a minimum period of 2 years, the Custodian is entitled to terminate the Custody Agreements upon not less than 6 months' written notice. If following such notice of termination, the Issuer is not able to appoint a new Custodian it would be forced to redeem the affected Metal Securities which would lead to a Securityholder realising its investment earlier than desired and if the value of the Metal Securities at such time is less than the value of the Metal Securities at the time the Metal Securities were purchased this could lead to a loss for a Securityholder of some or all of their investment.

Further details relating to the Custody Agreements are set out in **Section 9 – Description of Documents**.

2.23 **Risks Relating to the Performance of the Metal Agent**

The Issuer has appointed the Metal Agent as its agent to effect sales of Metal in connection with, amongst other things, a Metal Sale on a Redemption.

On a Metal Sale, the Issuer will instruct the Custodian to transfer the relevant Metal from the Secured Accounts to the order of the Metal Agent in accordance with the Metal Agent Agreement and the Metal Agent will sell the Underlying Metal in a timely fashion on the Metal Sale Date.

Under the Metal Agent Agreement, the Metal Agent is authorised to take such steps as, acting in a commercially reasonable manner, it considers appropriate to effect an orderly sale of the Metal. This means that the Metal Agent will use its discretion in selling the Underlying Metal, and the Issuer cannot guarantee that such discretion will result in the Metal Agent obtaining the optimal price on the Metal Sale Date. As a result, the price realised by the Metal Agent in conducting a Metal Sale may not be the same price that another market participant (including a Securityholder) could have realised if they were to sell Underlying Metal on the same date and a Securityholder may suffer a loss if the price realised by the Metal Agent is less than the value of the Underlying Metal at the time the Securityholder purchased its Metal Securities. In addition, the Metal Agent is permitted to deduct any amounts properly incurred by it in connection with such sale from the applicable proceeds.

Pursuant to the terms of the Metal Agent Agreement, the Metal Agent is only responsible for any loss or damage as a result of any negligence, fraud or wilful default on Metal Agent's part in the performance of its duties. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Metal Agent in circumstances where the Metal is lost or stolen in the course of a Metal Sale. Additionally, the Metal Agent may make such insurance arrangements for its own benefit in connection with its obligations under the Metal Agent Agreement as it considers appropriate and is under no obligation to provide insurance for the benefit of the Issuer in respect of the Metal it sells to effect a Metal Sale. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Metal Agent in circumstances where the Metal is lost or stolen in the course of a Metal Sale. A loss or theft of some or all of the Metal

in the course of a Metal Sale would have an adverse effect on the ability of the Issuer to perform its obligations in respect of the Metal Securities and Securityholders could, in turn, suffer a loss of some or all of their investment in the Metal Securities.

The services provided by the Metal Agent under the Metal Agent Agreement is presently not a regulated activity subject to the supervision and rules of any regulatory authority.

Further details regarding the Metal Agent are set out in **Section 9 – Description of Documents**.

E. Operational Risks

2.24 Early Redemption of Metal Securities

An investment in Metal Securities may be redeemed earlier than desired by a Securityholder and at short notice (a Compulsory Redemption). In these circumstances, the Securityholder may suffer a loss if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

A Compulsory Redemption is effected by Metal Sale. Pursuant to the terms of the Metal Agent Agreement the Metal Agent is entitled to deduct certain costs from the proceeds of the relevant sale of Metal (see section 2.14 above), which an Optional Redemption by way of Metal Delivery would otherwise not be subject to. In addition, if the early Redemption takes place at a time when the value of the Metal Securities redeemed is lower than when they were purchased by the Securityholder, the Securityholder could suffer a loss of some or all of their investment in the Metal Securities. Early Redemption may occur in the following circumstances:

- ***Early Redemption on Default***

In certain circumstances following the occurrence of an Event of Default in respect of the Issuer (including the Issuer's failure to make payments, failure to perform obligations in respect of the Metal Securities or certain insolvency events in respect of the Issuer), the Issuer will be required to redeem all or some of the Metal Securities in respect of a Class upon receiving notice from the Trustee, provided that the Trustee has been instructed by a specified portion of the Securityholders and indemnified, secured and/or pre-funded to its satisfaction. These circumstances include where:

(a) the Issuer has failed to comply with certain payment obligations in respect of the Redemption of any Metal Securities (subject to certain remedies);

(b) the Issuer fails to comply with one or more of its obligations under a Programme Document;

(c) the Issuer is subject to an insolvency event; or

(d) in respect of a Class of FX Hedged Metal Securities, (a) the designation by the FX Hedge Counterparty (as the non-defaulting party) of an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding transactions relating to such Class following the occurrence of an event of default under Section 5(a)(i) (*Failure to Pay or Deliver*) of the ISDA Master Agreement (in respect of which the Issuer is the defaulting party following the end of any applicable grace period specified in the ISDA Master Agreement) or (b) the failure of the Issuer to pay an Early Termination Amount (as defined in the ISDA Master Agreement) under Section 6(d) (Calculations; Payment Date) of the ISDA Master Agreement.

- ***Early Redemption for Cause***

The Issuer may redeem any Metal Securities at any time by not less than 7 and no more than 14 Business Days' written notice, which it considers, in its absolute discretion:

(a) are held in breach of law; or

(b) that the ownership of such Metal Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

The early redemption of the Metal Securities in these circumstances could, in turn, result in a Securityholder suffering a loss of some or all of their investment in the Metal Securities if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early redemption or if the value of the Underlying Metal has fallen since the date on which the Securityholder first invested in Metal Securities.

- ***Early Redemption Following a Disruption Event***

If, in respect of a Class of Metal Securities, a disruption event occurs (for example disruption relating to the trading of the underlying Metal, disruption relating to trade of the Metal Securities On-Exchange or in the OTC Market, the termination of a relevant Programme Party without replacement, disruption relating to the Secured Allocated Accounts (or, if applicable, the Secured Allocated Accounts (FX Hedge)) or the inaccessibility or loss of Underlying Metal and, in respect of the FX Hedged Metal Securities, disruption relating to the FX Hedge), the Issuer may suspend Subscription and/or Redemption of the relevant Metal Securities for so long as the disruption event continues, and ultimately exercise its right to redeem some or all of the affected Metal Securities. In these circumstances, a Securityholder could suffer a loss of some or all of their investment in the Metal Securities and, in certain cases (particularly where the disruption relates to the valuation of the Underlying Metal), it may be difficult for a Securityholder to quantify or determine the value of their investment in the Metal Securities.

2.25 Risks Relating to a Securityholder's Reliance on an Authorised Participant

Only Authorised Participants may deal with the Issuer in applying for Metal Securities to be issued. The Issuer will use reasonable endeavours to ensure that at all times there is at least one Authorised Participant. However, there can be no assurance that there will at all times be an Authorised Participant to deal with the Issuer in applying for or redeeming Metal Securities.

If there is no Authorised Participant, the Issuer may (but is not obliged to) trigger a Compulsory Redemption Event in respect of the Metal Securities. If the Issuer elects to trigger a Compulsory Redemption Event, it will notify Securityholders that there are no Authorised Participants, a Compulsory Redemption Event will occur in respect of the Metal Securities and the Metal Securities will be redeemed on the date falling five (5) Business Days thereafter. If a Compulsory Redemption Event were to occur, the Metal Securities will be redeemed by way of Metal Sale. The occurrence of a Compulsory Redemption Event could result in a Securityholder suffering a loss of some or all of their investment in the Metal Securities if, for example, the price of the Underlying Metal has fallen in value since the Securityholder first invested in the Metal Securities and may result in the amount received by the Securityholder being less than it would have been had the Metal Securities been redeemed on a date chosen by that Securityholder.

In the event that there is no Authorised Participant and the Issuer has not exercised its right to redeem the Metal Securities following the occurrence of a Compulsory Redemption Event, no further Metal Securities can be issued and it may also be difficult or impossible to sell Metal Securities on the Relevant Stock Exchanges at a price close to the Metal Reference Price or within a reasonable time period. In such a case, a Securityholder may Redeem directly with the Issuer, which may take longer and be more costly (due to payment of the Redemption Fee) than sale of the Metal Securities On-Exchange. If the case persists that there are no Authorised Participants, then the Issuer could trigger a Compulsory Redemption Event which would result in the early redemption of the Metal Securities. The early redemption of the Metal Securities could, in turn, result in a Securityholder suffering a loss if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

2.26 Insufficient Assets to Cover Principal Amount

A Securityholder may elect to receive an amount in cash equal to the Principal Amount instead of the amount otherwise specified on a redemption. Such Principal Amount operates as a minimum repayment amount which is payable at the election of the Securityholder. Due to the limited recourse nature of the Metal Securities, in the event that the value of the Metal Entitlement of the relevant Class is insufficient to pay the Principal Amount to all Securityholders who have elected to receive the Principal Amount, such Securityholders may not receive payment of the Principal Amount in full and may receive substantially less. This would result in a loss of some or all of their investment in the Metal Securities.

2.27 Risks Relating to the Application of the Total Expense Ratio

The Metal Entitlement per Security in respect of a Class will decrease over time as a portion of the Total Expense Ratio (a rate per annum specified in the Final Terms in respect of a Class) is applied to the Metal Entitlement on a daily basis, which reduces the Metal Entitlement per Security.

There is no guarantee that the Underlying Metal in respect of a Class will outperform the Total Expense Ratio, meaning that the value of a Securityholder's investment could decrease over time.

In addition, provided that it gives Securityholders at least 30 days' prior notice, the Issuer may increase the Total Expense Ratio. An increase in the Total Expense Ratio in respect of a Class will reduce the Metal Entitlement in respect of that Class by more than would have been the case (and at a faster rate) had the Total Expense Ratio remained the same.

2.28 Risks Relating to the Trustee

The Trustee will have regard to the interests of the Securityholders as a Class and will not have regard to the consequences of the exercise of its functions for individual Securityholders. As a result, a decision made by the Trustee in the exercise of its functions may have adverse consequences for an individual Securityholder, including, for example, if the exercise of discretion resulted in a delay in the redemption of the Metal Securities or a delay in receiving the Metal Entitlement per Security or its *pro rata* share of the sale proceeds following a Metal Sale. In such circumstances, a Securityholder may suffer adverse tax consequences. The Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

2.29 Risks Relating to the Security Trustee

The Security Trustee will have regard to the interests of the Securityholders as a Class and will not have regard to the consequences of the exercise of its functions for individual Securityholders. As a result, a decision made by the Security Trustee in the exercise of its functions may have adverse consequences for an individual Securityholder, including, for example, if the exercise of discretion resulted in a delay in the redemption of the Metal Securities or a delay in receiving the Metal Entitlement per Security or its *pro rata* share of the sale proceeds following a Metal Sale. In such circumstances, a Securityholder may suffer adverse tax consequences. The Security Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

F. Risks Relating to Security

2.30 Recognition of Security in other Jurisdictions

The laws of certain jurisdictions may affect some or all of the assets comprising the Secured Property in respect of any Security Deed or any Security Document. In the event that the laws of a jurisdiction do not recognise the security granted by such Security Deed or other Security Document, 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 Deed or other Security Document. In the event that it becomes necessary to enforce the security granted by a Security Deed or other Security Document in a jurisdiction that does not recognise such security (or in which it has not been perfected) there may be delays in enforcing the security or it may not be possible to enforce such Security which could result in losses to Securityholders of some or all of their investment in the Metal Securities.

2.31 Limited Enforcement Rights

The Security Trustee may enforce the Security at its discretion but is only required to enforce the Security on behalf of a Securityholder if it is directed to do so by the Trustee and provided the Trustee has been instructed by a specified portion of the Securityholders and indemnified, secured and/or pre-funded to its satisfaction. When exercising its right in this regard, the Security Trustee will have regard to the interests of the Securityholders as a whole and will not have regard to the consequences of such exercise for individual Securityholders, which may have an adverse impact on certain Securityholders more than others.

In circumstances where the Security Trustee is not directed to enforce the Security, a Securityholder will have no right to proceed directly against the Issuer and may therefore not be able to realise the value of its investment.

2.32 Risks Relating to the Subordination of Securityholders' Claims on Enforcement of Security

Any claims made against the Issuer will be satisfied in order of the priority waterfall set out in the section entitled ***Application Of Proceeds On Enforcement Of Security*** in Condition 6 (as set out in **Section 13 – Terms and Conditions of Metal Securities**), meaning that the claims of the Securityholders rank behind applicable payments to the Custodian, the Security Trustee and the Trustee, as described below.

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 accordance with the priority waterfall set out in Condition 6.3 (***Application of Proceeds on Enforcement Of Security***).

Following the priority of payments, the security may be insufficient and the Issuer may not be able to return the full amounts due to Securityholders who may suffer a loss of some or all of their investment in the Metal Securities as a result.

G. Risks Relating to the Issuer and its Legal Structure

2.33 The Issuer

The Issuer expects that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer subject to the Issuer meeting all relevant conditions of Section 110. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, or any of its expenses are not deductible for tax purposes, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows connected with the Metal Securities and as such could adversely affect the tax treatment of the Issuer and consequently the payments on the Metal Securities.

Other than the Metal held in respect of the Metal Securities (to the extent not applied in discharge of certain establishment expenses of the Issuer), the Issuer has, and will have, no assets other than a small amount of profit received by the Issuer in connection with the issue of the Metal Securities and in respect of the Metal Securities, any rights, property, sums or other assets on which such Metal Securities issued under the Programme are secured.

The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank as a result of issuing the Metal Securities.

There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the prevailing securities, banking or commodities laws of that jurisdiction or that legal or regulatory requirements in this respect will not change so as to bring the Issuer's activity relating to the Metal Securities within the scope of such laws. Any such regulatory requirement or change could trigger a Compulsory Redemption Event and result in the early redemption of the Metal Securities which in turn could result in a Securityholder suffering a loss if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

2.34 Limited Recourse and Non-Petition

The Issuer is a special purpose company but it is not a segregated cell company (i.e. under which the company is divided into separate cells which each have separate assets and liabilities). Accordingly, the Issuer uses contractual limited recourse clauses and non-petition limitations to prevent assets held in relation to any particular Class of Metal Securities being made available to satisfy the claims of holders of a different Class of Metal Securities or of other creditors of the Issuer.

Through the use of contractual limited recourse but subject always to the Security Deed in respect of a Class, this means that, the Securityholders of a particular Class will have recourse only to the Secured Property in respect of a Class, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant Class and application of available assets, any outstanding claim against the Issuer relating to such Class remains unsatisfied, then such outstanding claim will be extinguished and no obligation will be owed by the Issuer in respect of such claim.

Apart from the issue of carbon securities ("**Carbon Securities**") pursuant to the Issuer's programme for the issuance of Carbon Securities as more particularly referred to and defined in the base prospectus dated 23 April 2025, as may be updated and/or amended from time to time (the "**Carbon Securities Base Prospectus**"), which was approved as a base prospectus for the purposes of the EU Prospectus Regulation by the Central Bank and as a base prospectus for the purposes of Regulation (EU) 2017/1129 as it formed part of "assimilated law" as defined in the European Union (Withdrawal) Act 2018 (as amended or supplemented from time to time) by the FCA, the Issuer has agreed not to engage in activities other than the issue of Metal Securities and related and/or incidental matters. Any issue of Metal Securities must be on terms that provide for the claims of the Securityholders and the Programme Parties in respect of such Metal Securities to be limited to the proceeds of the assets on which such Metal Securities are secured. Any issue of Carbon Securities by the Issuer pursuant to the Issuer's programme for the issuance of Carbon Securities must also be on terms that provide for the claims of the Securityholders (as such term is defined in the Carbon Securities Base Prospectus) and the Programme Parties (as such term is defined in the Carbon Securities Base Prospectus) in respect of such Carbon Securities to be limited to the proceeds of the assets on which such Carbon Securities are secured.

Neither the Securityholders nor any other person acting on their behalf will be entitled to take any further steps against the Issuer or any of its directors, shareholders, corporate service providers or agents to recover any further sum in respect of such claim and no obligation will be owed to any such persons by the Issuer in respect of such outstanding sum. There are also contractual restrictions on the 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, it is possible that there may be situations where the Issuer becomes subject to a claim which is not subject to limited recourse or non-petition limitations. If this were to happen, it could increase the likelihood of the Issuer entering into insolvency proceedings.

Notwithstanding the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of

Securityholders and may prevent Securityholders from enforcing their rights with respect to any Metal 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 Security Trustee in respect of such Class of Metal 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 Security Trustee to enforce the Security created pursuant to any Security Document may be limited or delayed by such procedures.

2.35 **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 the Securityholders and other Secured Parties, the Securityholders (and other Secured Parties) 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 calendar 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 value added tax) 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 Deed 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 monies 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 even if crystallised prior to the commencement of 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.

2.36 **Centre of Main Interests**

Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) (the "**EU Insolvency Regulation**") is in force in Ireland since 26 June 2017 and applies to "insolvency proceedings" opened after 26 June 2017. Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests ("**COMI**") shall be "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties" and in the case of a company, such as the Issuer, the place of the registered office shall be presumed to be the COMI in the absence of proof to the contrary and provided that the registered office has not been moved from

another member state of the EU (a "**Member State**") within the 3 month period prior to the request for the opening of "insolvency proceedings".

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". This is consistent with Recital 30 to the EU Insolvency Regulation.

In *Interdil SRL (In Liquidation) v Fallimento Interdil SRL and Anor* [2011] EUCJ C-396.09, the European Court of Justice held that in determining a company's COMI, regard should be had to the location of the company's central administration such as where the persons responsible for the supervision and management of the business are located.

Recital 28 to the EU Insolvency Regulation further indicates that in assessing whether a company's centre of main interests is ascertainable to third parties for these purposes, "special consideration should be given to the creditors and to their perception as to where a debtor conducts the administration of its interests". As the Issuer has its registered office in Ireland, has not moved its registered office from another Member State to Ireland within the 3 month period prior to a request for the opening of "insolvency proceedings", has an Irish corporate services provider, has Irish directors and is registered for tax in Ireland, 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.

Accordingly, pursuant to Article 3 of the EU Insolvency Regulation and as the Issuer is an Irish incorporated company and has its registered office in Ireland there is a rebuttable presumption that the Issuer's COMI is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law.

2.37 **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 which are 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.

2.38 During the period of protection (which is for an initial period of 70 days and may be extended to 100 days), 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 or Security Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee or Security Trustee would be in a position to reject any proposal not in favour of the Securityholders. The Trustee or Security 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 Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Securityholders.

The fact that the Issuer is a special purpose vehicle and that 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 was appointed while any amounts due by the Issuer under the Metal Securities were unpaid, the primary risks to the 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 Securityholders as secured by the Trust Deeds, Security Deeds and/or Security Documents;

(b) the Trustee and/or the Security Trustee acting for and on behalf of the Secured Parties, 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 Metal 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 monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Metal Securities or the Programme Documents.

H. Risks Relating to Legal Matters

2.39 Regulatory Risk

Government or regulatory intervention in the financial markets could result in: (i) the Issuer or any other Programme Party being unable to perform its obligations in relation to the Metal Securities; and/or a Securityholders being unable to hold Metal Securities. If, due to a change in any applicable law or regulation, it becomes illegal for the Issuer, a Programme Party or a Securityholder to perform its obligations in relation to the Metal Securities, the Metal Securities of the relevant Class may fall for Compulsory Redemption.

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and (subject to the requirements of the EU Prospectus Regulation and any related rules issued by the Central Bank and/or the PRM) will operate without supervision by any authority in any jurisdiction. However, the regulatory requirements as to licensing, registration or authorisation in Ireland could change thereby requiring the Issuer to obtain such a status. Regulatory authorities in one or more other jurisdictions may regard such laws as being applicable to the Issuer and may require the Issuer to be licensed, registered or authorised. Any such regulatory requirement or change could trigger a Compulsory Redemption Event and result in the early redemption of the Metal Securities which in turn could result in a Securityholder suffering a loss if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

Owing to the special purpose nature of the Issuer, the Issuer may be unable to comply with the requirements imposed by the regulatory authorities of any such jurisdiction. The taking of an alternative view by such regulatory authority could therefore have an adverse impact on the Issuer and/or the holders of Metal Securities including, without limitation, the Issuer consequently determining that a Compulsory Redemption Event has occurred in respect of any affected Metal Securities. The Metal Securities may therefore be redeemed early, which may result in Securityholders receiving less, or substantially less, than their initial investment or less than a Securityholder would have received had the Metal Securities been redeemed on a date of their choosing.

2.40 Change of Law

The Conditions are governed by English law in effect as at the date of issue of the relevant Metal Securities. It is possible that a judicial decision or change to English law or administrative practice after the date of issue of the relevant Metal Securities will occur which may affect such Metal Securities.

It is not possible to predict the consequences of any such changes; it could have a significant adverse effect on the price and liquidity of the Metal Securities and/or the Issuer may, as a result of such change, determine that a Compulsory Redemption Event has occurred and the Metal Securities may be redeemed early. As a result of such Redemption, Securityholders may receive less, or substantially less, than their

initial investment or less than a Securityholder would have received had the Metal Securities been redeemed on a date of their choosing.

I. Risks relating to the FX Hedge Counterparty

All references in this Section I to the "FX Hedge Counterparty" refer to HSBC Bank plc, all references to "Group" refer to HSBC Bank plc and its subsidiary undertakings, and all references to "HSBC Group" refer to HSBC Holdings plc and its subsidiary undertakings.

The risk factors in respect of HSBC Bank plc in this Prospectus have been replicated from the registration document of HSBC Bank plc dated 15 May 2026, which was approved by the FCA in compliance with the PRM and made publicly available at https://www.hsbc.com/-/files/hsbc/investors/fixed-income-investors/issuance-programmes/hsbc-bank-plc/2026/260515-registration-document-dated-15-may-2026.pdf. The Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by HSBC Bank plc, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not made any independent verification of information contained in this Prospectus provided to it by HSBC Bank plc, relating to HSBC Bank plc or any other member of the HSBC group.

2.41 Risks Relating to the Group

The ability of the FX Hedge Counterparty to fulfil its obligations to the Issuer in relation to any of its FX Hedge Agreements will, amongst other things, impact the value of the FX Hedge Metal Securities of a Class. See "C. Risks Relating to the FX Hedge" above.

A description of the risk factors relating to the Group that may affect the ability of the FX Hedge Counterparty to fulfil its obligations to the Issuer in relation to any of its FX Hedge Agreements is set out below.

2.42 Macroeconomic and Geopolitical Risks

Economic and market conditions and geopolitical developments may adversely affect the Group's financial condition and results

The Group's earnings are affected by global and local economic, financial and geopolitical changes. Uncertain economic conditions and volatile markets can create a challenging environment for its business operations.

The Group has experience of financial and operational loss sustained as a consequence of the economic cycle, financial crises and wars. The Group's earnings, operations and operating model have been and could be affected in future by the following factors:

- The economic cycle: Deteriorating business, consumer or investor confidence and lower levels of investment and productivity growth, may lead to economic recession and reduced customer and client activity. Rapid changes in the

economic environment can also create challenging operating conditions for the HSBC Group and may affect the Group's earnings and profits. The conflict in the Middle East, which began on 28 February 2026, and the subsequent disruption to energy supply are key sources of economic uncertainty. These developments could undermine confidence and weaken economic growth. The duration and direction of the conflict will determine the eventual impact on the global economy, but higher energy prices have already raised inflation expectations and costs for households and other key economic sectors. Evidence of broader supply chain disruptions is emerging and there could be long-lasting implications for the direction of trade, and for energy, military and economic security. Volatility in US trade and tariff policies also remains an ongoing source of risk. Changes to tariff rates, including sector-specific levies, may deter capital investment, disrupt supply chains and reduce global trade growth. Heightened uncertainty may also deter businesses from hiring. During 2025, unemployment rose across many of its major markets, and there remains a risk of further increases if current geopolitical uncertainty deters investment and hiring, or if artificial intelligence ("**AI**") disrupts established business models and yields productivity gains that structurally reduce demand for labour as a result of improvements in technology. Weak growth, higher unemployment and rising costs are risks which could impair the creditworthiness of borrowers, decrease the value of collateral and other claims and affect its customers' earnings and activity, which could, in turn, reduce demand for its products and services and affect its risk profile and earnings;

- Inflation and monetary policy: The future path for interest rates remains uncertain and changes to rate expectations could affect net interest income, the fair value of its assets and liabilities and overall financial performance. The conflict in the Middle East has disrupted oil and gas production and supply and has raised inflation risks. Interest rate volatility has increased as a consequence and central bank communication has become more cautious. In April 2026, the US Federal Reserve left interest rates unchanged at 3.5%-3.75% and assessed that inflation risks have increased. The Bank of England ("**BoE**") also left the policy rate unchanged at 3.75%, and judged that inflation pressures have increased, but assessed that the impact on the economy would depend on the scale and duration of the conflict in the Middle East. The combined effects of higher energy costs, tariffs and restrictive interest rates could materially affect the Group's customers by eroding real purchasing power, increasing debt service costs, and/or weighing on real estate and other asset prices. High interest rates may affect the credit rating of the Group's customers and their ability to repay debt. This could negatively impact the Group's risk-weighted assets ("**RWAs**") and capital position, result in increases in expected credit losses and other impairment charges ("**ECL**") and drive potential liquidity stresses, including increased customer drawdowns. High rates could also reduce the Group's income if they reduce loan demand, weaken wealth and insurance revenue, weaken credit quality, and weigh on real estate and other asset prices. Alternatively, lower interest rates, while potentially stimulating demand for new lending, could pressure net interest margins and adversely affect profitability. Major central banks, including the European Central Bank and the BoE, eased monetary policy during 2025 as inflation risks were seen to diminish as unemployment rose.

However, this trajectory could be disrupted if geopolitical developments lead to sustained commodity price increases and supply chain disruption, or if wage growth or tariffs keep inflation higher for longer.

- Financial stability: The conflict in the Middle East and changing economic policy and conditions create an uncertain and volatile environment for asset markets, which remain sensitive to changing inflation and interest rate expectations. Volatility and sharp price adjustments can erode confidence, disrupt funding markets and lead to financial distress. Valuations and lending volumes in the AI and technology sectors remain an area of concern. Market valuations may reflect expectations of productivity improvements and can influence investor sentiment. If those expectations change or are not realised, valuations and investment values could adjust abruptly. A sharp repricing could weigh on economic activity and adversely affect the Group's risk profile and earnings, including through increased customer financial vulnerability and reduced values of collateral and other claims. The value of the US dollar is also an area of focus due to its depreciation through 2025 and the associated hedging and revaluation risks that it raises. Although the conflict in the Middle East resulted in a rise of the value of the US dollar against other major currencies, concerns over US fiscal sustainability and the increasingly complex fiscal and monetary policy environment are expected to persist. Exchange rate volatility may affect its risk exposure through mark-to-market changes in trading positions and the translation effects of currency movements.

- Fiscal policy and high levels of government debt: Public debt levels in many of its major markets have continued to rise due to higher social welfare commitments and increased expenditures on defence, energy security and climate transition. Rising government debt and high interest payments could adversely affect the fiscal capacity and debt sustainability of highly indebted sovereign issuers. Emerging markets with substantial debt and weak fiscal positions may also face increased repayment costs, heightened refinancing risks and greater likelihood of rating downgrades. A fragmented political landscape in many markets has diminished the political will for fiscal tightening. These factors could drive higher refinancing costs and could lead to tax increases that prove negative for growth. Further, the rise in funding costs in its major markets could reduce the potential for GDP growth by increasing the cost of borrowing, while also creating refinancing risks for its customers and counterparties. Uncertainty about future taxation could also undermine confidence, business investment and consumer spending, which would be negative for the Group's retail and corporate operations in various markets. Where the Group has exposure to such sovereigns or related parties, it could incur losses. At the same time, sovereign rating downgrades and/or a disorderly increase in long-term government funding costs, could increase the cost of funding for the Group and/or limit access to market funding, resulting in an adverse impact on interest margins and liquidity.

- Longer term trends: Strategic competition between countries is reshaping trading relationships and increasing the focus on long-term economic, energy and supply chain security, which could adversely affect the Group and its customers.

Diversification in trade invoicing currencies, payment systems and reserve holdings is increasing as a consequence of these trends, raising liquidity risks and volatility, as well as increasing operational complexity. Evolving demographics, including population ageing and changing migration patterns, may also result in changes to long term savings and investment behaviours, including reduced demand for bank borrowing.

- Geopolitical risks: Geopolitical risks remain high. The disruption of key supply routes caused by geopolitical conflicts has continued to impact global supply chains. The Russia-Ukraine war, the conflict in the Middle East and any further military action or conflict elsewhere, are key sources of uncertainty that may impact the Group and its customers, including through increased market volatility and supply chain disruptions. This could impact economic activity regionally or globally, which, if continued for a prolonged period, could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, liquidity, capital position and credit ratings (for further details see "The Group is subject to political, social and other risks in the countries in which it operates").

Adverse changes to the current economic, financial and geopolitical situation including in relation to any of the factors listed above, could result in:

- Idiosyncratic losses: The Group's impairment estimates attempt to capture the effects of economic, financial and geopolitical risks in the aggregate, but credit losses on specific exposures, with idiosyncratic features that make them particularly susceptible to the risks described above, may not be fully captured in the Group's impairment estimates;

- Sector-wide impairment: Changing economic conditions, policies and funding costs may give rise to a deterioration in specific industries and sectors that may reduce the creditworthiness of its customers. In addition, certain products, sectors and countries may be targeted by material increases in trade tariffs, potentially driving a slowdown in export demand;

- Reduced credit demand: The demand for borrowing from creditworthy customers may diminish during periods of recession or where economic activity slows or remains subdued;

- A tightening of financial market conditions: The Group's ability to borrow from other financial institutions or to engage in funding transactions may be adversely affected by market disruption; and

- Goodwill and intangibles: A changing economic and geopolitical outlook may change the recoverable value of assets and necessitate a write down in the value of intangible balance sheet items such as goodwill.

Provisioning against credit loss is conducted under the IFRS 9 'Financial Instruments' ("**IFRS 9**") calculations of ECL, which use forward-looking scenarios that incorporate the economic and financial risks detailed above. Four economic scenarios, including

a 'Central', an upside and two downside scenarios are developed and deployed for the calculation of ECL under most circumstances. In the first quarter of 2026, risks relating to the conflict in the Middle East were addressed through the introduction of a fifth scenario, the 'Downside 1', that explored the economic and financial risks arising from an energy supply shock, including lower GDP, higher inflation and policy tightening by central banks.

Forecasts remain uncertain, and changing economic conditions and the materialisation of key risks could reduce the accuracy of its 'Central' and other scenarios. There remains uncertainty regarding the adequacy of its models in capturing credit losses under emerging risks which are not captured by the historical loss experience of its models, or to effectively distinguish risks for specific sectors and portfolios. The Group’s financial model outputs (including retail and wholesale credit models such as IFRS loss models) continue to be monitored and management judgemental adjustments are used where modelled ECL do not fully reflect the identified risks and related uncertainty, or to capture significant late-breaking events. Nevertheless, its model outputs may fail to accurately capture the effects of complex economic, financial and geopolitical risks. See also "The Group could incur losses or be required to hold additional capital as a result of model limitations or failure".

The occurrence of any of these events or circumstances could have a material adverse effect on the Group’s business, financial condition, results of operations, prospects and customers.

The Group is subject to political, social and other risks in the countries in which it operates

The Group operates through an international network of subsidiaries and affiliates across countries and territories. Its operations are subject to potentially unfavourable political, social, environmental and economic developments in such jurisdictions, which may include:

- coups, armed conflict or acts of terrorism;
- political and/or social instability;
- geopolitical tensions;
- epidemics and pandemics (such as the Covid-19 pandemic);
- climate change, acts of God and natural disasters (such as floods and hurricanes); and
- infrastructure issues, such as transportation and power failures.

Each of the above could impact RWAs, and the financial losses caused by any of these risk events or developments could impair asset values and the creditworthiness of customers.

These risk events or developments may also give rise to disruption to the Group's services and some may result in physical damage to its operations and/or risks to the safety of its personnel and customers.

Geopolitical tensions could have significant ramifications for the Group and its customers. In particular:

- Throughout 2025, the US government announced far-reaching tariffs against a broad spectrum of countries, including the UK, China, the EU, Canada, India, and Mexico. Although subsequent bilateral and multilateral negotiations have moderated certain tariff rates, particularly in sectors deemed critical to domestic supply chains, there is a possibility that these deals are replaced by alternative US tariffs on different terms, and the overall trade policy environment remains fluid and unpredictable;

- While globalisation appears to remain deeply embedded in the international system, it is increasingly challenged by protectionism, including trade tariffs. The Group's footprint may make it and its customers susceptible to protectionist measures taken by national governments and authorities, including imposition of trade tariffs, restrictions on market access and investment, restrictions on the ability to transact on a cross-border basis, expropriation, restrictions on international ownership, interest rate caps, limits on dividend flows and increases in taxation. There may be uncertainty as to the conflicting nature of such measures, their duration, the potential for escalation, and their potential impact on global economies;

- Further conflict in the Middle East, or any potential military action or conflict elsewhere, remains a possibility. Such developments, including the actual or threatened use of force, and uncertainty about the scope and duration of the conflict in the Middle East present global economic and political implications, leading to further trade disruption. (For further details, see "Economic and market conditions and geopolitical developments may adversely affect the Group's financial condition and results");

- Sanctions and restrictions on trade and investment are continually evolving in response to geopolitical events and may adversely affect the Group, its customers and the markets in which the HSBC Group operates. These factors may result in increased legal, regulatory, reputational and market risks, and a more complex operating environment;

- The Russia-Ukraine war along with related financial sanctions, trade restrictions and Russian countermeasures, has had global economic and political implications. The US, the UK, and the EU, as well as other countries, have continued to impose sanctions against Russia. The US retains broad discretion to impose sanctions on non-US financial institutions that knowingly or unknowingly engage in transactions or provide services to sanctioned parties or otherwise involve Russia's military-industrial base. The imposition of such sanctions against any non-US HSBC entity could result in significant adverse commercial, operational, and reputational consequences for the HSBC Group;

- Being part of the wider HSBC Group, the Group may be adversely affected by increased geopolitical tensions across the different jurisdictions in which the HSBC Group operates;

- Heightened strategic competition between the US and China, including in the form of escalation and de-escalation over tariffs, sanctions, export controls, the trade of rare earth minerals and semiconductors, and cross-border investment restrictions, have increased risk and uncertainty, and have affected the configuration of global supply chains. Diplomatic tensions between China and the US and related actions, which may extend to and involve other countries, and developments in Hong Kong and Taiwan and the surrounding maritime region, may further adversely affect the HSBC Group; and

- Developments in alternative payment systems, such as projects to explore how tokenised commercial and central bank money could be used for cross-border payments, continue with implications for the future architecture of global finance. Development of new payments infrastructure and use of alternative currencies may present operational and other challenges, if, for example, certain governments mandate the use of payment channels that do not integrate with the Group’s payment architecture and financial crime controls.

Global tensions over trade and technology are resulting in divergent regulatory standards and compliance regimes, presenting long-term strategic challenges for multinational businesses such as the HSBC Group. As the geopolitical landscape evolves, compliance by multinational corporations with their legal or regulatory obligations or other initiatives in one jurisdiction may be seen as supporting the law or policy objectives of that jurisdiction over another, creating additional legal, regulatory, reputational and political risks for the Group.

While it is the Group's policy to comply with all applicable laws and regulations of all jurisdictions in which it operates, geopolitical tensions, and potential ambiguities in the Group's compliance obligations, continue to present challenges and risks for the Group and the HSBC Group which could, in turn, have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

The Group is subject to financial and non-financial risks associated with Environmental, Social and Governance ("ESG") related matters, such as climate change, nature-related and human rights issues

ESG-related matters such as climate change, society's impact on nature and human rights issues bring risks to the Group’s business, its customers and wider society. If the Group fails to meet evolving regulatory expectations or requirements relating to these matters, this could have regulatory compliance and reputational impacts.

Climate change could have both financial and non-financial impacts on the Group either directly or indirectly through its business activities and relationships. The Group’s climate risk approach identifies physical risk and transition risk as primary drivers of climate risk. The Group continues to identify the risk of greenwashing as a

thematic risk issue, which may arise if the Group knowingly or unknowingly make inaccurate, unclear, misleading or unsubstantiated claims regarding sustainability to its stakeholders.

Physical risk may arise from the increased frequency and severity of extreme weather events, such as hurricanes and floods or chronic gradual shifts in weather patterns or rises in sea level.

Transition risk may arise from the process of moving to a net zero economy including changes in government policy and legislation, technology, market demand and reputational implications triggered by a change in stakeholder expectations in relation to the FX Hedge Counterparty's or the HSBC Group's action or inaction.

The Group currently expects the following to be the most likely ways in which climate risk may materialise for the Group:

- credit risk may increase if climate-related regulatory, legislative or technological changes impact customers' business models or if extreme weather events disrupt or interrupt operations, resulting in financial difficulty for customers and/or stranded assets, or impacting their ability to repay their debts. Clients may find that their business models fail to align to a net zero economy or face disruption to their operations or deterioration to their assets as a result of extreme weather;

- trading losses if climate change results in changes to macroeconomic and financial variables which negatively impact its trading book exposures;

- liquidity impacts in the form of deposit outflows due to changes in customer behaviours driven by impacts to profitability and wealth, or from reputational concerns relating to the progress the Group makes towards the HSBC Group's ESG-related ambitions, targets, and commitments;

- real estate portfolios may be impacted due to changes to the climate, an increase in the frequency and severity of extreme weather events and chronic gradual shifts in weather patterns, which could impact both property values and the ability of borrowers to afford their mortgage payments. This may lead to the reduced availability or increased cost of insurance, including insurance that protects property pledged as collateral for the Group's mortgages;

- operational risk may increase if extreme weather events impact critical operations and premises;

- regulatory compliance risk may result from the increasing pace, breadth and depth of climate-related regulatory expectations, including on the management of climate risk, and variations in climate-related external reporting standards and taxonomies, requiring implementation in short timeframes across multiple jurisdictions;

- conduct risk may arise in association with the increasing demand for 'green' or 'sustainable' products where there are differing and developing standards or taxonomies;

- reputational risks may arise from how the Group decides to support its customers in high-emitting sectors in their transition to net zero, the preferences of different stakeholders in relation to its approach to the transition to net zero, and if the Group makes insufficient progress in achieving the HSBC Group's ESG-related ambitions, targets and commitments; and

- model risk may arise from the uncertain and evolving impacts of climate change as well as data and methodology limitations, which present challenges to creating reliable and accurate model outputs.

The Group may face heightened reputational, regulatory compliance and legal risks as the Group advances towards the HSBC Group's ESG-related ambitions, targets and commitments. Stakeholders are likely to scrutinise its actions, including the formulation of ESG and sustainability risk policies, its disclosures, and its financing and investment decisions in relation to the HSBC Group's ESG-related ambitions, targets and commitments. Additional risks may arise if the Group fails to:

- make sufficient progress towards the HSBC Group's ESG-related ambitions, targets and commitments;

- set adequate plans and execute, or adapt those plans as necessary, in response to changes in the external environment;

- manage the risks associated both with meeting and not meeting the HSBC Group's ESG-related ambitions, targets and commitments; and

- meet evolving regulatory expectations and requirements on the management of ESG risks.

The Group may also face risks related to climate and ESG-related litigation and regulatory enforcement. This could occur directly if stakeholders believe the Group is not effectively managing these risks, or indirectly if its customers are involved in litigation, which might lead to a revaluation of their assets.

Requirements, policy objectives, expectations, views or market and public perceptions and preferences in connection with the transition to a net zero economy and ESG-related matters may vary by jurisdiction and stakeholder, particularly in light of the differing perspectives and responses to climate change of stakeholders in different markets, such as the UK, the US, the EU and others. The Group may be subject to potentially conflicting approaches to ESG matters in certain jurisdictions, which may impact its ability to conduct certain business within those jurisdictions or result in additional regulatory compliance, reputational, political or litigation risks.

For example, its reputation and client relationships may be damaged as a result of its decision to participate, or not to participate, in certain projects perceived to be

associated with causing or exacerbating climate change, as well as any decisions the Group makes to continue to conduct or change its activities in response to considerations relating to climate change, including the transition to net zero. These risks may also arise from divergence in the implementation of ESG, climate policy and financial regulation in the regions in which the Group operates, including initiatives to apply and enforce policy and regulation with extraterritorial effect.

The Group recognises the importance of nature-related risks, as well as the complex interactions and compounding effects of climate and nature-related risk drivers. Nature related-risks may emerge when dependencies on natural capital - such as plants, soils and minerals - and ecosystem services - such as water availability and air quality - are affected by key drivers of nature loss, or when there is a lack of alignment between an organisation's impact on the natural environment and actions to protect, restore or reduce negative impacts on nature. Such risks can affect each of the HSBC Group, the Group, and their customers through various channels, including macroeconomic, market, credit, reputational, regulatory compliance, and legal risks.

Businesses are expected to be transparent about their efforts to identify and respond to the risk of adverse human rights impacts arising from their business activities and relationships. Failure to manage this risk may negatively impact people and communities, which in turn may result in reputational, regulatory compliance and legal risks for the Group.

The Group’s strategy and business model, including its products, services, and risk management processes, will need to continue to evolve to align with evolving regulatory requirements, stakeholder expectations and to manage ESG-related risks. This may involve adapting the way the Group measures and manages both financial and non-financial risks associated with ESG matters. Achieving the HSBC Group's strategy with respect to ESG matters, including any related ambitions, targets and commitments it may set, depends on a number of factors beyond the Group's control, such as technological advancements and supportive public policies in its operating markets. If these external factors do not materialise or are delayed, the Group may not meet its ESG-related ambitions, targets and commitments.

The Group may encounter financial reporting risks concerning its climate and ESG disclosures due to the limited quality and consistency of available data. Such uncertainty poses a risk of relying on incomplete or inaccurate data and models, potentially leading to sub-optimal decision-making. As methodologies, data, scenarios, and industry standards evolve with market practices, regulations, or scientific advancements, the HSBC Group's and its ability to collect and process required data may be challenged, exposing the HSBC Group and the FX Hedge Counterparty to financial reporting risk in relation to climate and ESG disclosures. Such developments could also necessitate revisions to its and the HSBC Group's internal measurement frameworks and reported data, including on financed emissions, making year-on-year comparisons difficult. This could result in the HSBC Group having to re-evaluate its progress towards its ESG-related ambitions, targets

and commitments in the future, resulting in reputational, regulatory compliance and legal risks.

If any of the above risks materialise, this could have financial and non-financial impacts for the FX Hedge Counterparty and the HSBC Group which could, in turn, have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

Changes to the UK's trading relationship with the EU, following the UK's withdrawal from the EU, may adversely affect the Group's operating model and financial results

The uncertain outcome of potential developments relating to the financial services trading relationship between the UK and EU, including the rules under which financial services may be provided on a cross-border basis into the EU and its member states, remains a source of risk for the Group.

The EU Capital Requirements Directive ("**CRD VI**"), which EU member states are in the process of transposing into national law, introduces a new requirement (the "EU branch requirement") under which non-EU banks and significant investment firms would have to establish a branch in each EU member state in which they carry out 'core banking activities', defined as deposit taking, lending and guarantees, and commitments. The EU branch requirement, which will be subject to certain exclusions and exemptions, will generally come into effect on 11 January 2027, although precise effective dates vary across EU member states. Grandfathering of cross border core banking contracts entered into before 11 July 2026 is provided for under CRD VI, although the availability of such grandfathering may vary subject to transposition by EU member states.

The Financial Services and Markets Act 2023 ("**FSMA 2023**") became law in June 2023 and provides for a number of changes to the regulatory architecture in the UK. It contains provisions that would allow for specified 'onshored' EU legislation, also known as 'retained EU law' or 'REUL' (and known as 'assimilated law' after 1 January 2024), to be revoked and replaced by legislation or rules made by His Majesty's Treasury ("**HM Treasury**") or the regulators. FSMA 2023 allows for the eventual repeal of assimilated law related to financial services and enables the government and regulators to replace it in line with the FSMA 2023 model. Each piece of assimilated law related to financial services is now within a 'transitional period', lasting until its repeal is individually commenced by HM Treasury in a phased and sequenced manner. Furthermore, as of 1 January 2024, certain legal effects previously associated with REUL (now referred to as assimilated law) no longer apply, including the supremacy of REUL over other types of conflicting domestic UK law, general principles of EU law (which informed REUL's interpretation and application) and directly effective EU rights.

Uncertainty remains as to the extent to which EU and UK laws will diverge in the future, as a result of the future repeal of assimilated law under FSMA 2023 or further development of the EU's own regulatory regime. In particular, the UK is in the process of revoking the remainder of the assimilated version of the Capital Requirements

Regulation and replacing it with rules published and maintained by the Prudential Regulation Authority ("**PRA**"), which will also reflect the UK's implementation of the Basel Committee on Banking Supervision's ("**BCBS**") final reforms to the prudential framework ("**Basel 3.1**").

Any changes to the current EU and UK banking and financial services rules, including as a result of the EU branch requirement, the UK's revocation and replacement of EU-derived laws, the UK and EU implementation of Basel 3.1 reforms and any further divergences between the two legal regimes, could require modifications to its UK and EU operating models, with resulting impacts to its customers and employees. The precise impacts on its customers will depend on the nature of any developments and their individual circumstances and could include disruption to the provision of products and services, and this could in turn increase operational complexity and/or costs for the Group.

More generally, over the medium to long term, the UK's withdrawal from the EU and the operation of the Trade and Cooperation Agreement agreed between the EU and the UK (and any complexities that may result therefrom), may lead to increased market volatility and economic risk, particularly in the UK, which could adversely impact its profitability and prospects for growth in this market.

In addition, the UK's future trading relationship with the EU and the rest of the world will likely take a number of years to fully stabilise. This may result in a prolonged period of uncertainty, unstable economic conditions and market volatility. This could include reduced international trade flows and loss of export market shares, as well as currency fluctuations. If any of the above risks materialise, this could have a material adverse effect on its business, financial condition, results of operations, reputation, prospects and strategy.

The Group operates in markets that are highly competitive

The Group competes with other financial institutions in a highly competitive industry that continues to undergo significant change as a result of financial regulatory reform, as well as increased public scrutiny and a continued challenging macroeconomic environment.

The Group targets internationally mobile customers who need sophisticated global financial solutions. The Group generally competes on the basis of the quality of its customer service, the variety of products and services that the Group can offer its customers, the ability of its products and services to satisfy its customers' needs, the extensive distribution channels available for its customers, its innovation, and its reputation. Continued and/or increased competition in any one or all of these areas may negatively affect its market share and/or require increased capital investment in its businesses in order to remain competitive.

In the highly competitive markets in which the Group operates, its ability to reposition or reprice its products and services from time to time may be limited and could be influenced significantly by the actions of its customers or competitors. Any changes in the types of products and services that the Group offers its customers, and/or the

pricing for those products and services, could result in a loss of customers and market share.

Developments in technology and changes to regulations are enabling new entrants to the industry. This challenges the Group to continue innovating and taking advantage of new digital capabilities so that the Group improves how it serves its customers, drive efficiency and adapt its products to attract and retain customers. As a result, the Group may need to increase its investment in its business to adapt or develop products and services to respond to evolving customer needs and regulatory requirements. New digital capabilities have the potential to weaken its resilience or wider risk management capabilities. If the Group fails to develop and adapt its products and services to take advantage of new digital capabilities this could have an adverse impact on its business.

The digitisation of financial services continues to have an impact on the payment services ecosystem, including new market entrants and payment mechanisms, not all of which are subject to the same level of regulatory scrutiny or regulations as financial institutions. This presents ongoing challenges in terms of maintaining required levels of payment transparency, notably where financial institutions serve as intermediaries. Developments around digital assets and currencies have continued at pace, with an increasing regulatory and enforcement focus.

Any of these factors could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation.

Changes in foreign currency exchange rates may affect the Group's results

The Group prepares its accounts in pound sterling. However, a substantial portion of the Group's assets, liabilities, assets under management, revenues and expenses are denominated in other currencies (primarily, euro and US dollars).

Changes in foreign exchange rates may have an effect on the Group's accounting standards, reported income, cash flows and shareholders' equity. Unfavourable changes in foreign exchange rates could have a material adverse effect on the Group's business, financial condition, results of operations, capital position and prospects.

Market fluctuations may reduce the Group's income or the value of its portfolios

The Group's businesses are inherently subject to risks in financial markets and in the wider economy, including changes in, and increased volatility of, interest rates, inflation rates, credit spreads, foreign exchange rates, commodity, equity, bond and property prices, and the risk that the Group's customers act in a manner inconsistent with its business, pricing and hedging assumptions.

Market pricing can be volatile, and ongoing market movements could significantly affect the Group in a number of key areas. For example, banking and trading activities are subject to interest rate risk, foreign exchange risk, inflation risk and credit spread

risk. Changes in interest rate levels, interbank spreads over official rates and yield curves affect the interest rate spread realised between lending and borrowing costs. The potential for future volatility and margin changes remains. See "Economic and market conditions and geopolitical developments may adversely affect the Group's financial condition and results", above regarding the impact of these on the interest rate environment.

Competitive pressures on fixed rates or product terms in existing loans and deposits sometimes restrict the Group's ability to change interest rates applying to customers in response to changes in official and wholesale market rates.

The Group's defined benefit pension plans are exposed to market risk from their assets and liabilities. The liability discount rate provides exposure to interest rate risk and credit spread risk which are only partially offset by fixed interest assets and swaps. The assets also provide exposure to fluctuations in the market value of other pension plan assets including equities and property.

The Group's insurance businesses are exposed to the risk that market fluctuations may cause mismatches to occur between product liabilities and the investment assets that back them. Market risks can affect its insurance products in a number of ways depending upon the product and the associated contract. For example, mismatches between assets and liability yields and maturities give rise to interest rate risk. Some of these risks are borne directly by the customer and some are borne by the insurance businesses, with their excess capital invested in the markets. Some insurance contracts involve guarantees and options that increase in value in adverse investment markets. There is a risk that the insurance businesses could bear some of the cost of such guarantees and options. The performance of the investment markets could thus have a direct effect upon the value embedded in the insurance and investment contracts and its operating results, financial condition and prospects.

It is difficult to predict with any degree of accuracy changes in market conditions, and such changes could have a material adverse effect on its business, financial condition, results of operations, capital position and prospects.

Liquidity, or ready access to funds, is essential to the Group's businesses

The Group's ability to borrow on a secured or unsecured basis, and the cost of doing so, can be affected by increases in interest rates or credit spreads, the availability of credit, regulatory requirements relating to liquidity or the market perceptions of risk relating to the Group or the banking sector, including the Group's perceived or actual creditworthiness.

Current accounts and savings deposits payable on demand or at short notice form a significant part of the Group's funding, and the Group places considerable importance on maintaining their stability. For deposits, stability depends upon preserving investor confidence in the Group's capital strength and liquidity, and on comparable and transparent pricing.

The Group also accesses wholesale markets for funding purposes to align asset and liability maturities and currencies, and to maintain a presence in local markets.

An inability to obtain financing in the unsecured long-term or short-term debt capital markets, or to access the secured lending markets, could have a material adverse effect on the Group's liquidity.

Unfavourable macroeconomic developments, market disruptions or regulatory developments may increase the Group's funding costs or challenge the Group's ability to raise funds to support or expand the Group's businesses.

If the Group is unable to raise funds through deposits and/or in the capital markets, the Group's liquidity position could be adversely affected, and the Group might be unable to meet deposit withdrawals on demand or at their contractual maturity, to repay borrowings as they mature, to meet the Group's obligations under committed financing facilities and insurance contracts, to comply with regulatory funding requirements, to undertake certain capital and/or debt management activities, or to fund new loans, investments and businesses.

The Group may need to liquidate unencumbered assets to meet its liabilities. In a time of reduced liquidity, the Group may be unable to sell some of its assets, or may be unable to maintain the run-down and sale of certain legacy portfolios or the Group may need to sell assets at reduced prices, which in any such case could materially adversely affect the Group's business, financial condition, results of operations, capital position and prospects.

2.43 **Macro-Prudential, Regulatory and Legal Risks to the Group's Business Model**

The Group is subject to numerous new and existing legislative and regulatory requirements, and to the risk of failure to comply with applicable regulations

The Group's businesses are subject to ongoing regulation, policies, voluntary codes of practice and interpretations in the various markets in which the Group operates. A number of regulatory changes affecting its business have effects beyond the country in which they are enacted. Increased fragmentation in regulatory requirements may limit the HSBC Group's ability to implement globally consistent standards in response to regulatory change.

The areas where regulatory changes and increased supervisory expectations could have a material adverse effect on its business, financial condition, results of operations, prospects, capital position, reputation and strategy include, but are not limited to, those listed below, grouped around prudential and non-prudential themes.

Prudential and related issues

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. The measures taken include enhanced capital, liquidity and funding requirements, the separation or prohibition of certain

activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes and changes in compensation practices. Specific examples of such measures and initiatives include:

- the implementation of Basel 3.1, which includes changes to the RWA approaches to credit risk, market risk, operational risk, counterparty risk and credit valuation adjustments. The majority of the rules in the new framework will take effect from 1 January 2027, while the Internal Model Approach for market risk rules has been delayed until 1 January 2028;

- the UK government's Financial Services Growth and Competitiveness Strategy, which was published in July 2025 and which re-iterated proposals to reform the UK capital framework for banks, including reforms to the UK's bank ring fencing regime. Finally, the BoE's Financial Policy Committee ("**FPC**") was asked to undertake a review of capital levels for banks in the UK. While the FPC published the initial findings of its review in December 2025, there remain a number of areas subject to further review, including the capital buffers and the leverage ratio;

- enhanced supervisory expectations regarding regulatory reporting, including increased focus on data integrity, governance, and controls. To seek to address these expectations, the Group have been advancing a programme aimed at strengthening its regulatory reporting processes and making them more sustainable, including enhancing data, consistency and controls and, while this programme continues, there may be further impacts on some of its regulatory ratios, such as the common equity tier 1 ("**CET1**") ratio, the liquidity coverage ratio ("**LCR**"), and the net stable funding ratio ("**NSFR**");

- the financial effects of climate risk and other ESG-related changes being incorporated within the global prudential framework, including physical risks from climate change and the transition risks resulting from a shift to a low carbon economy;

- heightened supervisory concern regarding the growth of private markets and their interconnection with banks, as demonstrated by the BoE's launch of a system-wide exploratory scenario in 2026 and the PRA's 'Dear Chief Risk Officer' letter on private equity related financing activities from the PRA in 2024; and

- BCBS's review of the cryptoassets RWA standard, following delays in implementation reported by various jurisdictions, which attribute the postponements to technological advancements in the cryptoassets sector that have made parts of the Basel standards outdated.

Non-prudential and related issues

With regard to the non-financial risk agenda, there is a focus on business practices (including customers and markets), operational and cyber resilience, AI, digital and technology changes, ESG, payments and financial crime, including:

- continued focus by regulators, international bodies and policymakers on banks' business practices. This includes ensuring fair outcomes for customers, fostering effective competition and maintaining the orderly and transparent functioning of global financial markets;

- the EU's CRD VI Article 21c amendment requiring non-EU entities to provide core banking services to EU clients through an EU branch or subsidiary;

- the high regulatory expectations and requirements relating to various aspects of operational and cyber resilience, and third-party risks, including an ongoing focus on the response of institutions to operational disruptions;

- regulatory expectations and requirements around the use of AI;

- the supervisory and regulatory focus on technology adoption and digital delivery, underpinned by consumer protection, including in respect of the use of digital assets and currencies and wider financial technology risks;

- the ongoing transition of a small number of legacy contracts tied to benchmark rates that have been demised, which continues to expose the HSBC Group and the Group to regulatory compliance, legal and conduct risks;

- compliance with existing and future ESG-related risk management and disclosure requirements applicable to banks and businesses more generally, in some jurisdictions, particularly those relating to climate change, transition plans, greenwashing and supply chain due diligence;

- continuing supervisory and regulatory change globally on payment services and related infrastructure; and

- the ongoing expectations with respect to managing emerging financial crime risks and their impact on customers, managing conflicting laws and approaches to legal and regulatory regimes, and implementing complex sanctions and restrictions on trade and investment.

The Group is subject to the risk of current and future legal, regulatory or administrative actions and investigations, the outcomes of which are inherently difficult to predict

The Group faces significant risks in its business relating to legal, regulatory or administrative actions and investigations. The amount of damages claimed in litigation, regulatory proceedings, investigations, administrative actions and other adversarial proceedings against financial institutions remain elevated for many reasons. These reasons include a substantial increase in the number of regulatory changes taking place globally, increasing focus from regulators, investors and other stakeholders on ESG disclosures, including in relation to the measurement and reporting of such matters as both local and international standards in this area continue to significantly evolve and develop, increased media attention, higher expectations from regulators and the public, and the globalisation of class actions,

including in relation to competition matters and data breach litigation. In addition, criminal prosecutions of, and civil proceedings involving, financial institutions for, among other things, alleged conduct breaches, breaches of anti-money laundering, anti-bribery and anti-corruption and sanctions regulations, antitrust violations, market manipulation, aiding and abetting tax evasion, and providing unlicensed cross-border banking services, have become more commonplace and may increase in frequency due to increased media attention and higher expectations from regulators and the public.

Any such legal, regulatory or administrative action or investigation against HSBC Holdings, the FX Hedge Counterparty, or one or more of its subsidiaries could result in, among other things, substantial fines, civil penalties, criminal penalties, cease and desist orders, forfeitures, the suspension or revocation of key licences, requirements to exit certain businesses, other disciplinary actions and/or withdrawal of funding from depositors and other stakeholders. Any threatened or actual litigation, regulatory proceeding, administrative action, investigation, or other adversarial proceeding against HSBC Holdings, the FX Hedge Counterparty or one or more of its subsidiaries could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation. Additionally, the Group's financial statements reflect provisioning for legal proceedings, regulatory and customer remediation matters. Provisions for legal proceedings, regulatory and customer remediation matters, typically require a higher degree of judgement than other types of provisions, and the actual costs resulting from such proceedings and matters may exceed existing provisioning.

Additionally, as described in Note 32 'Legal proceedings and regulatory matters' to the financial statements in its 2025 Annual Report and Accounts on pages 157-158, the Group continues to be subject to a number of material legal proceedings, regulatory actions and investigations, the outcomes of which are inherently difficult to predict, particularly those cases in which the matters are brought on behalf of various classes of claimants, seek damages of unspecified or indeterminate amounts or involve novel legal claims. Moreover, the Group may face additional legal proceedings, investigations, or regulatory actions in the future, including in other jurisdictions and/or with respect to matters similar to, or broader than, the existing legal proceedings, investigations or regulatory actions. An unfavourable result in one or more of these proceedings could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation.

The Group may fail to meet the requirements of regulatory stress tests

The Group is subject to supervisory stress tests in many jurisdictions. These exercises are designed to assess the resilience of banks to potential adverse economic developments or operational failure to inform mitigation actions and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by supervisors is both on a quantitative and qualitative basis, the latter focusing on its data provision, stress testing capability and internal management processes and controls.

Failure to meet quantitative or qualitative requirements of regulatory stress tests, or the failure by supervisors to approve its stress test results and capital plans, could result in the Group being required to enhance its capital position, and this could, in turn, have a material adverse effect on its business, financial returns, capital position, operational capabilities and reputation.

The Group will be subject to certain bank resolution powers under the UK Banking Act 2009, in certain significant stress situations

Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms (as amended, supplemented or replaced from time to time, the "**BRRD**") provides an EU-wide framework for the recovery and resolution of credit institutions and their parent companies and other group companies. The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. In the UK, the Banking Act 2009, as amended ("**Banking Act**") has implemented the majority of the provisions of the BRRD, and therefore provides the framework for the UK recovery and resolution regime.

Statutory intervention powers

The Group is subject to the Banking Act, which gives wide powers in respect of UK banks and their parent and other group companies to HM Treasury, the BoE, the PRA and/or the FCA (each a 'relevant UK Resolution Authority' ("**relevant UKRA**")) in circumstances where a UK bank has encountered or is likely to encounter financial difficulties. These powers include powers to: (a) transfer all or some of the securities issued by a UK bank or its parent, or all or some of the property, rights and liabilities of a UK bank or its parent (which would include certain of the FX Hedge Counterparty's securities that may be subject to the exercise of powers under the Banking Act (the "**Relevant Securities**")), to a commercial purchaser or, in the case of securities, to HM Treasury or an HM Treasury nominee, or, in the case of property, rights or liabilities, to an entity owned by the BoE; (b) override any default provisions, contracts, or other agreements, including provisions that would otherwise allow a party to terminate a contract or accelerate the payment of an obligation; (c) commence certain insolvency procedures in relation to a UK bank; and (d) override, vary or impose contractual obligations, for reasonable consideration, between a UK bank or its parent and its group undertakings (including undertakings which have ceased to be members of the group), in order to enable any transferee or successor bank of the UK bank to operate effectively. The Banking Act also gives power to HM Treasury to make further amendments to the law for the purpose of enabling it to use the special resolution regime powers effectively, potentially with retrospective effect.

Write-down and conversion of capital instruments and liabilities powers and/or bail-in powers

The powers granted to the relevant UKRA also include powers to vary or extinguish the claims of certain creditors. These powers include a 'write-down and conversion of capital instruments and liabilities' power and a 'bail-in' power.

The write-down and conversion of capital instruments and liabilities power may be used where the relevant UKRA has determined that the institution concerned has reached the point of non-viability, but that no bail-in of instruments other than capital instruments or (where the institution concerned is not a resolution entity) certain internal non-own funds liabilities ("**relevant internal liabilities**") is required (however, the use of the write-down and conversion power does not preclude a subsequent use of the bail-in power) or where the conditions to resolution are met. Any write-down or conversion effected using this power must be carried out in a specific order such that common equity must be written off, cancelled or appropriated from the existing shareholders in full before additional tier 1 instruments are affected, and additional tier 1 instruments must be written off or converted in full before tier 2 instruments are affected and (in the case of a non-resolution entity, such as the FX Hedge Counterparty) tier 2 instruments must be written off or converted in full before relevant internal liabilities are affected. Where the write-down and conversion of capital instruments and liabilities power is used, the write-down is permanent and investors receive no compensation (save that CET1 instruments may be required to be issued to holders of written-down instruments). The write-down and conversion of capital instruments and liabilities power is not subject to the 'no creditor worse off safeguard (unlike the bail-in power described below).

The bail-in power gives the relevant UKRA the power to cancel all or a portion of the principal amount of, or interest on, certain unsecured liabilities of a failing financial institution or its holding company, to convert certain debt claims (which could be amounts payable under the FX Hedge Counterparty's Relevant Securities) into another security, including ordinary shares of the surviving entity or its holding company, if any and/or to amend or alter the terms of such claims, including the maturity of the FX Hedge Counterparty's Relevant Securities or amendment of the amount of interest payable on the FX Hedge Counterparty's Relevant Securities, or the date on which interest becomes payable, including by suspending payment for a temporary period. The Banking Act requires the relevant UKRA to apply the bail-in power in accordance with a specified preference order which differs from the ordinary insolvency order. In particular, the relevant UKRA must write-down or convert debts in the following order: (i) additional tier 1, (ii) tier 2, (iii) other subordinated claims and (iv) certain senior claims. As a result, the FX Hedge Counterparty's subordinated securities which qualify as capital instruments may be fully or partially written down or converted even where other subordinated debt that does not qualify as capital is not affected. This could effectively subordinate such securities to the FX Hedge Counterparty's other subordinated indebtedness that is not additional tier 1 or tier 2 capital in the event that the bail-in power is applied by the relevant UKRA. The claims of some creditors whose claims would rank equally with those of the holders of such securities may be excluded from bail-in. The more of such creditors there are, the greater will be the impact of bail-in on the holders of such securities. The bail-in power is subject to the 'no creditor worse off safeguard, under which any shareholder or creditor which receives less favourable treatment following the exercise of the bail-in

power than they would have had if the institution entered into insolvency may be entitled to compensation.

Moreover, pursuant to the exercise of the bail-in power, any securities that may be issued to holders upon conversion of any Relevant Securities may not meet the listing requirements of any securities exchange, and the FX Hedge Counterparty's outstanding listed securities may be delisted from the securities exchanges on which they are listed. Any securities that holders receive upon conversion of such Relevant Securities (whether debt or equity) may not be listed for at least an extended period of time, if at all, or may be on the verge of being delisted by the relevant exchange. Additionally, there may be limited, if any, disclosure with respect to the business, operations or financial statements of the issuer (which may be an entity other than the FX Hedge Counterparty) in any securities issued upon conversion of such Relevant Securities, or the disclosure with respect to any existing issuer may not be current to reflect changes in the business, operations or financial statements as a result of the exercise of the bail-in power.

Furthermore, holders of Relevant Securities may have only limited rights to challenge and/or seek a suspension of any decision of the relevant UKRA to exercise the bail-in power (or any of its other resolution powers) or to have that decision reviewed by a judicial or administrative process or otherwise.

Although the exercise of the bail-in power under the Banking Act is subject to certain pre-conditions, there remains uncertainty regarding the specific factors (including, but not limited to, factors outside the control of the Group or not directly related to the Group) which the relevant UKRA would consider in deciding whether to exercise such power with respect to the FX Hedge Counterparty and its Relevant Securities. Moreover, as the relevant UKRA may have considerable discretion in relation to how and when it may exercise such power, holders of the FX Hedge Counterparty's Relevant Securities may not be able to refer to publicly available criteria in order to anticipate a potential exercise of such power and consequently its potential effect on the FX Hedge Counterparty and its Relevant Securities. In some circumstances, the relevant UKRA may decide to apply a deferred bail-in, where liabilities are not written down at the start of the resolution but are transferred to a depositary to hold during the bail-in period, with the terms of the write-down being determined at a later point in the bail-in period. Accordingly, it is not yet possible to assess the full impact of the exercise of the bail-in power pursuant to the Banking Act or otherwise on the FX Hedge Counterparty.

Powers to direct restructuring of the Group

As well as a write-down and conversion of capital instruments and liabilities power and a bail-in power, the powers of the relevant UKRA under the Banking Act include the power to: (i) direct the sale of the relevant financial institution or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply; (ii) transfer all or part of the business of the relevant financial institution to a 'bridge institution' (an entity created for such purpose that is wholly or partially in public control); and

(iii) separate assets by transferring impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only). In addition, the Banking Act gives the relevant UKRA power to amend the maturity date and/or any interest payment date of debt instruments or other eligible liabilities of the relevant financial institution, impose a temporary suspension of payments, discontinue the listing and admission to trading of debt instruments and/or transfer securities of the relevant financial institution to a third party appointed by the BoE.

The exercise by the relevant UKRA of any of the above powers under the Banking Act may limit the FX Hedge Counterparty's capacity to meet its repayment obligations under its Relevant Securities and the exercise of any such powers (including especially the write-down and conversion of capital instruments power and the bail-in power) could lead to the holders of the FX Hedge Counterparty's Relevant Securities losing some or all of their investment.

Moreover, trading behaviour in relation to the securities of the FX Hedge Counterparty, including market prices and volatility, may be affected by the use of, or any suggestion of the use of, these powers and accordingly, in such circumstances, the FX Hedge Counterparty's Relevant Securities are not necessarily expected to follow the trading behaviour associated with other types of securities. There can be no assurance that the taking of any actions under the Banking Act by the relevant UKRA or the manner in which its powers under the Banking Act are exercised will not materially adversely affect the rights of holders of the FX Hedge Counterparty's Relevant Securities, the market value of an investment in the FX Hedge Counterparty's Relevant Securities and/or the FX Hedge Counterparty's ability to satisfy its obligations under its Relevant Securities.

Although the Banking Act also makes provision for public financial support to be provided to an institution in resolution subject to certain conditions, it provides that the financial public support should only be used as a last resort after the relevant UKRA has assessed and exploited, to the maximum extent practicable, all the resolution tools, including the bail-in power. Accordingly, it is unlikely that investors in the Relevant Securities will benefit from such support even if it were provided.

If any of these risks materialises, this could have a material adverse effect on its business, financial condition, results of operations, prospects, customers and reputation.

The Group is subject to tax-related risks in the countries in which it operates

The Group is subject to the substance and interpretation of tax laws in all countries in which it operates and is subject to routine review and audit by tax authorities in relation thereto. The Group’s interpretation or application of these tax laws may differ from those of the relevant tax authorities and the Group provide for potential tax liabilities that may arise on the basis of the amounts expected to be paid to the tax authorities. The amounts ultimately paid may differ materially from the amounts provided depending on the ultimate resolution of such matters.

In addition, potential changes to tax legislation, the approach taken by tax authorities in audits, and tax rates in the countries and territories in which the Group operates, in particular, those arising as a consequence of the OECD's Base Erosion and Profit Shifting project, could increase its effective tax rate in the future and have a material adverse effect on its business, financial condition, results of operations, prospects and capital position.

2.44 **Risks Related to the Group's Operations**

The Group's operations are highly dependent on the HSBC Group's information technology systems

The Group operates in an extensive and complex technology landscape, which must remain resilient to support customers, the Group and the markets in which the Group operate. Risks can arise where technology is not understood, maintained, or developed appropriately.

The reliability and security of the HSBC Group's information technology infrastructure is crucial to the Group's provision of financial services to its customers and protecting the HSBC brand.

The effective functioning of the HSBC Group's payment systems, financial control, risk management, credit analysis and reporting, accounting, customer service and other information technology systems, as well as the communication networks between the Group's branches and main data processing centres, are important to the Group's operations.

Critical system failure, prolonged service unavailability or a material breach of data security, particularly of customer data, could compromise the Group's ability to serve its customers. Rapid advances in AI may further facilitate cyber-attacks or data compromise. Such scenarios could breach regulations and could cause long-term damage to the Group's business and brand that could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation.

The Group remains susceptible to a wide range of cyber risks

The threat of cyber-attacks remains a concern for the Group, as it does across the global financial sector. As cyber-attacks continue to evolve, failure to protect its operations may result in disruption for customers, manipulation of data or financial loss. This could adversely impact its customers and the Group.

Adversaries attempt to achieve their objectives by compromising the Group or its third-party suppliers. They use techniques that include malware (such as ransomware), exploitation of both known and unpublished (zero-day) software vulnerabilities, phishing emails, distributed denial of service attacks, as well as physical compromise of premises, or coercion of staff. The Group’s customers may also be subject to these attack techniques. The Group, like other financial institutions, has experienced numerous common cyber-attacks, including for example, distributed denial of service and phishing attacks. Some of its third-party service providers have

also experienced cyber-attacks. To date, the Group have not been materially affected by cybersecurity threats. However, the Group expects cyber-attacks to continue, and its business strategy, results of operations and financial condition could be materially affected by cybersecurity risks and any future material incidents.

Cybersecurity risks will continue to increase due to several factors, including the growing delivery of services over the internet; increased dependence on internet-based products, applications and data storage; and the expanding use of AI, which could enable sophisticated cyber-attacks. Additionally, the adoption of hybrid working models by the Group's employees, contractors, and third-party service providers and their sub-contractors contributes to this trend.

Failure to adhere to the Group's cybersecurity policies, procedures or controls, employee or third-party wrongdoing, human error, or governance or technological error could compromise the Group's ability to defend against cyber-attacks. Should any of these cybersecurity risks materialise, they could have a material adverse effect on its customers, business, financial condition, results of operations, prospects and reputation.

The Group could incur losses or be required to hold additional capital as a result of model limitations or failure

The Group uses models for a range of purposes in managing its business, including regulatory capital calculations, stress testing, credit approvals, calculation of ECLs on an IFRS 9 basis, financial crime and fraud risk management and financial reporting.

The Group could face adverse consequences as a result of decisions that may lead to actions by management based on models that are poorly developed, implemented or used, or as a result of the modelled outcome being misunderstood, or the use of modelled information for purposes which it was not designed for, or by inherent limitations arising from the uncertainty inherent in predicting or estimating future outcomes. Regulatory scrutiny and supervisory concerns over banks' use of models are considerable, particularly the internal models and assumptions used by banks in the calculation of regulatory capital. If regulatory approval for capital models is not achieved in a timely manner or if those models are subject to negative feedback from regulators, the Group could face fines or be required to hold additional capital. Evolving regulatory requirements have resulted in changes to the Group's approach to model risk management, which poses execution challenges. The adoption of more sophisticated modelling approaches including AI and technology related developments by both the Group and the financial services industry could also lead to increased model risk. The HSBC Group's commitment to changes to business activities due to climate and sustainability challenges will also have an impact on model risk going forward. Models will play an important role in risk management and financial reporting of climate-related risks. Uncertainty around the long-dated impacts of climate change and lack of robust and high-quality climate related data present challenges to creating reliable and accurate model outputs for these models.

Model risk remains a key area of focus given the regulatory scrutiny in this area with local regulatory examinations taking place in many jurisdictions and revised principles on model risk published by the PRA which came into force in 2024, and further developments in policy expected from other regulators.

Risks arising from the use of models could have a material adverse effect on its business, financial condition, results of operations, prospects, capital position and reputation. See also "Economic and market conditions and geopolitical developments may adversely affect the Group's financial condition and results".

The Group's operations use third-party suppliers and service providers

The Group relies on third parties to provide goods and services. The use of third-party providers by financial institutions is of particular focus to global regulators. This includes how outsourcing decisions are made, how key relationships are managed, its understanding of third-party dependencies, and the potential impacts of third parties on its operational resilience.

The inadequate management of third-party risk could impact its ability to meet strategic, regulatory and customer expectations.

This may lead to a range of impacts, including regulatory censure, penalties or damage both to shareholder value and to its reputation. This could have a material adverse effect on its business, financial condition, results of operations, prospects, capital position and reputation.

2.45 Risks Related to Governance and Internal Controls

The Group's data management and data privacy controls must be sufficiently robust to support the increasing data volumes and evolving regulations

As the HSBC Group becomes more data-driven and the Group's business processes move to digital channels, the volume of data that the Group relies on has increased. As a result, management of data (including data storage and deletion, data quality, data privacy and data architecture) from creation to destruction must be robust and designed to identify quality and availability issues. Inadequate data management could result in negative impacts to customer service, business processes, or require manual intervention to reduce the risk of errors in reporting to senior management, executives or regulators.

Expanding data privacy, national security and cybersecurity laws in a number of markets could pose potential challenges to intra-Group data sharing. These developments could increase financial institutions' compliance obligations in respect of cross-border transfers of personal information, which may affect its ability to manage financial crime risks across markets.

In addition, failure to comply with data privacy laws and other legislation in the jurisdictions in which the Group operate may result in regulatory sanctions. Any of

these failures could have a material adverse effect on its business, financial condition, results of operations, prospects, and reputation.

Third parties may use the Group as a conduit for illegal activities without the Group's knowledge

The Group are required to comply with applicable financial crime laws and regulations, and have adopted various policies, procedures and controls aimed at preventing the exploitation of HSBC's products and services for criminal activity. Financial crime includes fraud, bribery and corruption, tax evasion and the facilitation of tax evasion, sanctions and export control violations and evasion, money laundering, terrorist financing and proliferation financing. There are instances, as permitted by regulation, where the Group may rely upon third parties to undertake certain financial crime risk management activities on its behalf. Any controls implemented and maintained by the Group to manage the risk created by such reliance may not prevent third parties from using the Group (and its relevant counterparties) as a conduit for financial crime, without its knowledge (and that of those counterparties).

Becoming a party to, associated with, or accused of being associated with, financial crime could damage its reputation and could make the Group subject to fines, sanctions and/or legal or regulatory enforcement. Any one of these outcomes could have a material adverse effect on its strategy, business, customers, financial condition, results of operations, prospects and reputation.

The Group is subject to the risk of financial crime

The Group is exposed to financial crime risk from its customers, staff and third parties engaging in criminal activity (see also "Third parties may use the Group as a conduit for illegal activities without the Group's knowledge") and, as such, the Group continues to face increasing regulatory expectations. In 2025, financial crime risk continued to be exacerbated by increasingly complex geopolitical challenges, the macroeconomic outlook, the complex and dynamic nature of sanctions and export control compliance, evolving financial crime regulations, rapid technological developments, an increasing number of national data privacy requirements and the increasing sophistication of fraud, scams and other criminal activities. The Group's ability to manage financial crime risk is dependent on the use and effectiveness of its financial crime risk assessments, systems and controls. Weak or ineffective financial crime processes and controls may risk the Group inadvertently facilitating financial crime which may result in regulatory investigation, sanction, litigation, fines and reputational damage.

The Group may suffer losses due to employee misconduct

The Group's businesses are exposed to risk from potential non-compliance with the HSBC Group's policies, including the HSBC Values, and associated behaviours and employee misconduct such as fraud, negligence or non-financial misconduct. These issues could lead to regulatory penalties and damage to its reputation or finances. In recent years, several global financial institutions have incurred significant losses due

to rogue employee actions. While the Group strives to prevent and detect such misconduct, the HSBC Group's and its measures may not always be effective, or a regulator could find the HSBC Group's and its efforts to deter such activities inadequate.

The risk of misconduct may be heightened if its prevent-and-detect measures are less effective, particularly in remote and home working environments.

If any of these risks materialise, this could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation.

The delivery of the Group's strategic actions is subject to execution risk and the Group may not achieve all of the expected benefits of its strategic initiatives

Management of strategic execution risk is required for the Group to be able to deliver the HSBC Group's and its strategy, meet the HSBC Group's shareholders' expectations and maintain stakeholder confidence.

Executing the Group's strategy and meeting its targets necessitates effective prioritisation, planning, and management. This process may be influenced by operational capacity, the efficacy of key controls, and structural challenges arising from any mergers or acquisitions, including challenges in integrating any newly acquired businesses into the Group's business and instituting and maintaining appropriate transitional arrangements. Additionally, there is a possibility of unforeseen changes in the market or regulatory environment in which the Group operates, while complex technological changes are underway. The global economic outlook remains uncertain, particularly concerning legislative changes and geopolitical tensions. The scale, complexity, and concurrent demands of such transformation initiatives can result in heightened execution risk.

The Group's strategic actions seek to align with the HSBC Group's strategy and the HSBC Group's investors' expectations, yet they carry increased execution risk due to the emphasis on cost management and funding capacity. Consequently, there is a risk that the Group's cost and investment measures may not fully realise the anticipated benefits of its strategic initiatives.

The development and implementation of the Group's strategy require difficult and complex judgements, including forecasts of economic conditions in various geographies where the Group operates. The Group may fail to correctly identify the relevant factors in making decisions as to capital deployment and cost reduction. The Group may also encounter unpredictable changes in the external environment that are disadvantageous to its strategy.

There is a risk that the HSBC Group's reorganisation announced in 2024 may not achieve some or all of its goals and may fail to deliver or achieve the expected benefits of the HSBC Group's strategic initiatives.

If any of these risks materialise, this could have a material adverse effect on its customers, business, financial condition, prospects, operational resilience and reputation.

The Group's risk management measures may not be successful

The management of risk is a fundamental component of all the Group's activities, as outlined in the HSBC Group Risk Management Framework ("**RMF**"). Risk represents the Group's exposure to uncertainty and the potential variability in outcomes. Specifically, risk encompasses the negative impact on profitability or financial condition due to various sources of uncertainty, including retail and wholesale credit risk, treasury risk, traded risk, financial reporting and tax risk, resilience risk, strategic risk, legal risk, regulatory compliance risk, financial crime risk, people risk and model risk.

The Group employs a comprehensive and diversified set of risk monitoring and mitigation techniques, supported by the Three Lines of Defence model, which defines clear accountabilities across risk ownership, oversight, and independent assurance. However, these methods and the judgements involved cannot foresee every adverse event or the specifics and timing of every outcome. Inadequate risk management could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, capital position, strategy and reputation.

2.46 **Risks Related to the Group's Business**

The Group's business has inherent reputational risk

Reputational risk is the risk of failing to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Group or a member of the HSBC Group, the Group's employees or those with whom the Group is associated.

Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputational risk.

Stakeholder expectations constantly evolve, and so reputational risk is dynamic and varies between geographical regions, groups and individuals. In addition, the Group's business faces increasing scrutiny in respect of ESG-related matters. If the Group fails to act responsibly, or to contribute to the achievement of the HSBC Group's announced targets, commitments, goals or ambitions, in a number of areas, such as inclusion, climate, sustainability, workplace conduct, human rights, and support for local communities, the Group's reputation and the value of its brand may be negatively affected.

Social media and other broadcasting channels that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Reputational risk could also arise from negative public opinion about the actual, or perceived, manner in which the Group conducts its business activities, or its financial performance, as well as actual or perceived practices in banking and the

financial services industry generally. Negative public opinion may adversely affect the Group's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff, and could have a material adverse effect on its business, financial condition, results of operations, prospects and reputation.

Non-financial risks are inherent in the Group's business

The Group is exposed to many types of non-financial risks that are inherent in its operations. Non-financial risk can be defined as the risk to the Group of not achieving its strategy or objectives because of inadequate or failed internal processes, people and systems, or external events. It includes: breakdowns in processes or procedures, breaches of regulations or law, financial crime, financial reporting and tax errors, external events and systems failure or non-availability. These risks are also present when the Group relies on outside suppliers or vendors to provide services to the Group and its customers.

These non-financial risks may result in financial losses to the Group and/or its customers, an adverse customer experience, reputational damage and potential litigation, regulatory proceedings, administrative action or other adversarial proceedings in any jurisdiction in which the Group operates, depending on the circumstances of the event.

These non-financial risks could have a material adverse effect on the Group's business, financial condition, results of operations, prospects, capital position, operational resilience, strategy and reputation.

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel

The Group’s ongoing success and the successful execution of its strategy are partly reliant on retaining key management team members and its broader workforce, as well as ensuring the availability of skilled management and personnel across its businesses and functions. The complexity of its talent supply challenge is heightened by the shortage of talent and capabilities in its major markets, especially where specialist skills require global mobility. This challenge is further compounded by ongoing organisational changes, rapidly evolving skill requirements, regulatory developments, and heightened expectations for employing local nationals and fostering inclusion in certain jurisdictions.

The Group's ability to continue to attract, train, motivate and retain highly qualified professionals may also depend on factors beyond its control, including economic, market and regulatory conditions.

When acquiring or disposing of a Group operation, it is essential to comply with employment requirements, support affected employees and integrate new employees into the HSBC Group's values, culture and working practices.

Should businesses or functions fail to adequately staff their operations, lose key senior executives without timely and satisfactory replacements, or fail to implement

necessary organisational changes to support the HSBC Group's strategy, this could have a material adverse effect on its business performance, prospects, reputation, operational resilience and overall control environment.

The Group has significant exposure to counterparty risk

The Group is exposed to counterparties that are involved in virtually all major industries, and the Group routinely executes transactions with counterparties in financial services, including brokers and dealers, central clearing counterparties, commercial banks, investment banks, mutual and hedge funds, and other institutional clients.

Many of these transactions expose the Group to credit risk in the event of default by its counterparty or client.

The Group's ability to engage in routine transactions to fund its operations and manage its risks could be materially adversely affected by the actions and commercial soundness of other financial services institutions. Financial institutions are necessarily interdependent because of trading, clearing, counterparty or other relationships. As a consequence, a default by, or decline in market confidence in, individual institutions, or anxiety about the financial services industry generally, can lead to further individual and/or systemic difficulties, defaults and losses.

Mandatory central clearing of over the counter derivatives poses risks to the Group. As a clearing member, the Group is required to underwrite losses incurred at a central counterparty by the default of other clearing members and their clients. An increased move towards central clearing brings with it a further element of interconnectedness between clearing members and clients that the Group believes may increase rather than reduce the Group's exposure to systemic risk. At the same time, the Group's ability to manage such risk itself will be reduced because control has been largely outsourced to central counterparties, and it is unclear at present how, at a time of stress, regulators and resolution authorities will intervene.

Where bilateral counterparty risk has been mitigated by taking collateral, the Group's credit risk may remain high if the collateral the Group holds cannot be realised or has to be liquidated at prices that are insufficient to recover the full amount of the Group's loan or derivative exposure.

There is a risk that collateral cannot be realised, including situations where this arises by change of law, or the imposition of sanctions, that may influence the Group's ability to foreclose on collateral or otherwise enforce contractual rights.

The Group also has credit exposure arising from mitigants, such as credit default swaps, and other credit derivatives, each of which is carried at fair value. The risk of default by counterparties to credit default swaps and other credit derivatives used as mitigants affects the fair value of these instruments depending on the valuation and the perceived credit risk of the underlying instrument against which protection has been purchased. Any such adjustments or fair value changes could have a material

adverse effect on the Group's business, financial condition, results of operations, prospects, capital position and reputation.

Any reduction in the credit rating assigned to the FX Hedge Counterparty, any subsidiaries of the FX Hedge Counterparty or any of their respective debt securities could increase the cost or decrease the availability of the Group's funding and materially adversely affect the Group's liquidity position and/or net interest margin

Credit ratings affect the cost and other terms upon which the Group is able to obtain market funding. Rating agencies regularly evaluate the FX Hedge Counterparty and certain of its subsidiaries, as well as their respective debt securities. Their ratings are based on a number of factors, including their assessment of the relative financial strength of the Group or of the relevant subsidiary, as well as conditions affecting the financial services industry generally. There can be no assurance that the rating agencies will maintain the FX Hedge Counterparty's or the relevant subsidiary's current ratings or outlook based on bank rating methodologies applied by ratings agencies.

Any downgrade in ratings or negative change in outlook could increase the Group's funding costs, limit access to capital markets and increase collateral requirements, which could materially adversely affect the Group's net interest margin and liquidity.

Risks concerning borrower credit quality are inherent in the Group's businesses

Risks arising from changes in credit quality and the recoverability of loans and amounts due from borrowers and counterparties (for example, reinsurers and counterparties in derivative transactions) are inherent in a wide range of the Group's businesses. Adverse changes in the credit quality of the Group's borrowers and counterparties or reduced recoverability of its assets arising from a general deterioration in economic conditions or systemic risks in the financial systems could require an increase in the Group's ECLs (see "Economic and market conditions and geopolitical developments may adversely affect the Group's financial condition and results").

The Group estimates and recognises ECLs in the Group's credit exposure. This process, which is critical to the Group's results and financial condition, requires difficult, subjective and complex judgements, including forecasts of how the macroeconomic and geopolitical conditions might impair the ability of the Group's borrowers to repay their loans and the ability of other counterparties to meet their obligations. This assessment considers multiple alternative forward-looking economic conditions (including GDP estimates) and incorporates this into the ECL estimates to meet the measurement objective of IFRS 9. As is the case with any such assessments, the Group may fail to estimate accurately the effect of factors that it identifies, or fail to identify relevant factors. Further, the information the Group use to assess the creditworthiness of the Group's counterparties may be inaccurate or incorrect. Any failure by the Group to accurately estimate the ability of the Group's

counterparties to meet their obligations could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

The Group's insurance businesses are subject to risks relating to insurance claim rates and changes in insurance customer behaviour

The Group provides various insurance products for customers, including several types of life insurance products. The cost to support insurance claims and benefits can be influenced by many factors, including mortality and morbidity rates, lapse and surrender rates and, if the policy has a savings element, the performance of assets to support the liabilities. Adverse developments in any of these factors could materially adversely affect the Group's business, financial condition, results of operations, capital position, prospects and reputation.

The Group may be required to make substantial contributions to its pension plans

The Group operates a number of pension plans for its personnel, including defined benefit pension plans. Pension scheme obligations fluctuate with changes in long-term interest rates, inflation, salary levels and the longevity of scheme members. They can also be affected by operational and legal risks. The level of contributions the Group makes to its pension plans has a direct effect on its cash flow. To the extent plan assets are insufficient to cover existing liabilities, higher levels of contributions may be required.

As a result, deficits in those pension plans could have a material adverse effect on the Group's business, financial condition, results of operations, capital position, prospects and reputation.

2.47 **Risks Related to the Group's Financial Statements and Accounts**

The Group's financial statements are based in part on judgements, estimates and assumptions that are subject to uncertainty

The preparation of financial information requires management to make judgements and use estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Due to the inherent uncertainty in making estimates, particularly those involving the use of complex models, actual results reported in future periods could differ from the expectations on which management's estimates are based. Judgements, estimates, assumptions and models are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the prevailing circumstances. The impacts of revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. Accounting policies deemed critical to its results and financial position are those that involve a high degree of uncertainty and have a material impact on the financial statements. In 2025, these included expected credit losses, provisions for liabilities, deferred tax assets, valuation of financial instruments, non-current assets held for sale and investments in subsidiaries, which are discussed in detail in 'Critical

estimates and judgements' on page 101 and Note 1.2 'Summary of material accounting policies' to the financial statements on pages 101-111 of its 2025 Annual Report and Accounts.

The measurement of ECL requires the selection and calibration of complex models and the use of estimates and assumptions to incorporate relevant information about past events, current conditions and forecasts of economic conditions. Additionally, significant judgement is involved in determining what is considered to be significant increases in credit risk and what the point of initial recognition is for revolving facilities.

The recognition and measurement of deferred tax assets involve significant judgement regarding the probability and sufficiency of future taxable profits, taking into account the future reversal of existing taxable temporary differences and tax planning strategies, including corporate reorganisations.

The recognition and measurement of provisions involve significant judgements due to the high degree of uncertainty in determining whether a present obligation exists, and in estimating the probability and amount of any outflows that may arise. For provisions for liabilities there continues to be a high level of management focus on legal and regulatory matters requiring significant accounting judgement. Most significant considerations would include assessing whether a present obligation exists, higher judgement for legal and regulatory provisions and sensitivity to assumptions and outcome uncertainty.

The valuation of financial instruments measured at fair value can be subjective, in particular where models are used that include unobservable inputs.

The assessment of investments in subsidiaries for impairment involves significant judgements in determining the value in use, in particular estimating the present values of cash flows expected to arise from continuing to hold the investment, based on a number of management assumptions.

Management judgement is needed to confirm whether IFRS 5 "held for sale" criteria are met, including that a disposal is highly probable and expected to complete within 12 months of classification. This judgement typically considers the likelihood of obtaining required regulatory and governmental approvals, which are almost always necessary for banking business sales. For larger, more complex disposals, it also covers the enforceability of any binding agreement, the strength of disincentives for non-performance, and the counterparty's ability to complete pre-completion work, meet conditions precedent, and fulfil contractual commitments within the planned timetable. Judgement must be reassessed each reporting period.

Given the uncertainty and subjectivity associated with the above critical accounting judgements and estimates, future outcomes may differ materially from those assumed using information available at the reporting date.

These judgements and estimates could have a material adverse effect on the future financial position of the Group, results of operations, capital position, prospects and reputation. For further details, see 'Critical estimates and judgements' on page 101

and Note 1.2 'Summary of material accounting policies' to the financial statements on pages 101-111 of its 2025 Annual Report and Accounts.

Changes in accounting standards may have a material impact on how the Group reports its financial results and financial condition

The Group prepares its consolidated financial statements in conformity with UK-adopted international accounting standards and with the requirements of the UK Companies Act 2006, and have also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. The Group's consolidated financial statements are also prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("**IASB**") ("**IFRS Accounting Standards**"), including interpretations issued by the IFRS Interpretations Committee.

From time to time, the IASB or the IFRS Interpretations Committee may issue new accounting standards or interpretations that could materially impact how the Group calculate, report and disclose its financial results and financial condition, and which may affect its capital ratios, including the CET1 ratio. The Group could also be required to apply new or revised standards retrospectively, resulting in its restating prior period financial statements in material amounts. This could have a material adverse effect on its business, financial condition, results of operations and capital position.

SECTION 3 – IMPORTANT INFORMATION RELATING TO THE PROGRAMME

A. What is this document?

3.1 This Prospectus is issued in respect of the metal securities programme (the "**Programme**") for the issue of Metal Securities by HANetf ETC Securities plc (the "**Issuer**").

3.2 This Prospectus describes the material risks of an investment in Metal Securities. However, this Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer (or any other Programme Party) that any recipient of this Prospectus should purchase the Metal Securities.

B. The Issuer

3.3 The Issuer is a special purpose company incorporated in Ireland. The core business of the Issuer is to issue and redeem securities linked to different assets (including, without limitation, commodities or emissions allowances and precious metals) and to enable those securities to be traded on stock exchanges.

C. Role of Other Relevant Parties to the Programme

3.4 The Trustee and the Security Trustee are each The Law Debenture Trust Corporation p.l.c., an independent entity whose role is to act as trustee for the holders of the Securities and as security trustee for itself and for the benefit of the Securityholders.

3.5 Authorised Participants are experienced financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer. Only Authorised Participants are entitled to subscribe for new Metal Securities directly with the Issuer. Authorised Participants are also entitled to redeem Metal Securities directly with the Issuer by receiving the relevant underlying Metal. Non-AP Securityholders are Securityholders which are not an Authorised Participant. Non-AP Securityholders may therefore include retail investors as well as institutional investors who are not Authorised Participants. Non-AP Securityholders' rights of redemption are subject to certain qualifications.

3.6 The Administrator is Apex Fund Services (Ireland) Limited (the "**Administrator**"). The Administrator provide services including, *inter alia*, maintaining the register of the Metal Securities and publishing the daily Metal Entitlement and Metal Entitlement per Security. The Administrator is part of the Apex Group, a global financial services organisation and the one of the global top tier independent service providers, which retains a focus on high client service levels delivered locally and administers circa $3.4 trn in assets. Globally, the Apex Group administers over 10,000 structures.

3.7 As at the Prospectus Date, HSBC Bank plc is the sole FX Hedge Counterparty. In respect of FX Hedged Metal Securities, the FX Hedge Counterparty will enter into FX Hedge transactions with the Issuer pursuant to the FX Hedge Agreements. The

Issuer may appoint other financial institutions or entities as additional or replacement FX Hedge Counterparties.

3.8 The information on HSBC Bank plc in this Prospectus is based upon information made available to the Issuer by HSBC Bank plc. The Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by HSBC Bank plc, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not made any independent verification of information contained in this Prospectus provided to it by HSBC Bank plc, relating to HSBC Bank plc or any other member of the HSBC group.

Name

HSBC Bank plc

Address

8 Canada Square, London E14 5HQ, United Kingdom

Country of incorporation

The United Kingdom

Nature of business

HSBC Bank plc and its subsidiaries form a group providing a range of banking products and services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a company limited by shares in 1880. In 1923, the company adopted the name Midland Bank Limited, which it held until 1982 when it re-registered as a public limited company and changed its name to Midland Bank plc. In 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in 1999.

HSBC Holdings plc, the parent company of the HSBC Group (meaning HSBC Holdings plc together with its subsidiaries), is headquartered in London. As at the date of this Base Prospectus, the HSBC Group operates through long-established businesses across its international network of offices. The HSBC Group is one of the largest banking and financial services organisations in the world. As of 31 December 2025, the HSBC Group had total assets of US3.2tn.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are, as at the date of this Base Prospectus, rated P-1 by Moody's and A-1 by Standard & Poor's and HSBC Bank plc has a short term issuer default rating of F1+ from Fitch. The long term senior unsecured and unguaranteed obligations of HSBC Bank plc are rated A1 by Moody's and A+ by Standard & Poor's and HSBC Bank plc has a long term issuer default rating of AA from Fitch.

HSBC Bank plc is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. HSBC Bank plc's principal place of business in the United Kingdom is 8 Canada Square, London E14 5HQ.

Further information on HSBC Bank plc required for the purposes of the EU Prospectus Regulation is set out in Section 8 – Description of the FX Hedge Counterparty.

Admission to trading of securities

HSBC Bank plc has securities admitted to trading on the London Stock Exchange, among others.

D. What securities are being issued pursuant to this Prospectus?

3.9 This Prospectus relates to the issue of Metal Securities which are secured, undated, zero coupon limited recourse debt obligations of the Issuer. The Metal Securities of certain Classes will have an FX Hedge component. Such Metal Securities are referred to as FX Hedged Metal Securities and, conversely, Metal Securities without an FX Hedge component are referred to as FX Unhedged Metal Securities. In the case of Gold Securities, these are referred to as FX Hedged Gold Securities and FX Unhedged Gold Securities respectively. As at the Prospectus Date, the following Classes of Metal Securities have been issued:

	Class	Type of Metal Securities
(a)	The Royal Mint Responsibly Sourced Physical Gold ETC Securities	FX Unhedged Gold Securities
(b)	The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities	FX Hedged Gold Securities
(c)	The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities	FX Hedged Gold Securities
(d)	The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities	FX Hedged Gold Securities

3.10 The aggregate number of all Metal Securities issued under the Programme will not at any time exceed 1,000,000,000,000, this being the Programme Maximum Number of Metal Securities.

3.11 Each Class of Metal Securities are designed to track the price of individual precious metals (for example, gold) and to provide investors with a return equivalent to the spot price of the relevant underlying metal less the applicable fees and, in respect of

FX Hedged Metal Securities, subject to any gains or losses in respect of the FX Hedge.

3.12 Investors may lose some or all of their investment. It is advisable that persons wishing to invest seek appropriate financial, tax and other advice from independent financial advisors with appropriate regulatory authorisation and qualifications.

3.13 **IT IS IMPORTANT THAT AN INVESTOR CAREFULLY READS, CONSIDERS AND UNDERSTANDS THIS PROSPECTUS BEFORE MAKING ANY INVESTMENT IN METAL SECURITIES.** For a discussion of certain factors regarding the Issuer and the Metal Securities that should be considered by potential investors considering an investment in Metal Securities, see **Section 2 – Risk Factors**.

E. What information is contained in this document?

3.14 This Prospectus is intended to provide a prospective investor with the necessary information relating to the Issuer and the Metal Securities required to enable them to make an informed assessment of the prospects of the Issuer (including its financial position) and the rights attaching to the Metal Securities.

3.15 The rights attaching to the Metal Securities are contained in the Conditions set out under **Section 13 – Terms and Conditions of Metal Securities** and are completed by the Final Terms (defined below) specific to a particular issue of Metal Securities which will be published and delivered to the Central Bank and/or the FCA (as applicable) before such Metal Securities are issued. Worked examples of how an investor can calculate the value of its investment are set out in **Section 10 – Determining the Value of an Investment in Metal Securities**.

3.16 Also set out in this Prospectus are details of:

(a) the structure of the Programme (Section 1);

(b) the risks relating to an investment in Metal Securities (Section 2);

(c) a description of the Issuer (Section 7); and

(d) the terms of any material contracts of the Issuer (Section 9).

3.17 A detailed breakdown of the contents of this Prospectus is set under the heading "**Contents**", above.

3.18 The language of this 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 applicable law. In case there is any discrepancy between the English text and text written in any other language (whether as a translation of this Prospectus or otherwise), the English text stands approved for the purposes of approval for the EU Prospectus Regulation and/or the PRM.

F. How do the Final Terms interact with this document?

3.19 The Issuer issues Metal Securities on the terms set out in this document, as completed by the final terms in respect of the relevant Metal Securities (the "**Final Terms**"). The Final Terms set out information specific to the relevant Class of Metal Securities to which they relate, including the underlying precious metal of the Metal Securities, the price, class, number, FX Hedge (if applicable) and applicable fees.

G. What other information should a prospective investor consider?

3.20 Prospective investors should ensure that they review the Prospectus and the Final Terms. A copy of this Prospectus is available at the Issuer's Website, which at the Prospectus Date is https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents.

3.21 As at the Prospectus Date, no documents are incorporated by reference in the Prospectus other than those specified in Section 6 (*Documents Incorporated By Reference*), which, as at the date of the Prospectus, are available from the Issuer's Website using the following link https://www.hanetf.com/issuer-financial-statements.

3.22 Unless specifically stated otherwise, no documents form part of this Prospectus for purposes of the EU Prospectus Regulation or the PRM. Other than in relation to the documents which are deemed to be incorporated by reference, any website mentioned in this Prospectus does not form part of the Prospectus.

3.23 The Prospectus the memorandum and articles of association of the Issuer, the Trust Deed, and any documents incorporated by reference in the Prospectus are available from the Issuer's Website, which at the Prospectus Date is https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents.

H. Important Information Relating to the Programme

RESTRICTIONS

3.24 The circulation of the Prospectus and any Final Terms and the marketing, sale and delivery of Metal Securities may be restricted by law in certain jurisdictions. The Issuer requires all persons who come into possession of this Prospectus or any Final Terms to inform themselves of and to observe any such applicable restrictions. For a description of certain restrictions on offers and sales of Metal Securities and on the distribution of this Prospectus or any Final Terms, see **Section 16 – Selling Restrictions**.

3.25 The Metal Securities have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), as amended, or under the securities laws of any states of the United States. Except in a transaction exempt from the registration requirements of the Securities Act and applicable United States securities laws, the Metal Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States. See **Section 16 – Selling Restrictions** for more information.

TRADING THE METAL SECURITIES

3.26 The Central Bank's approval of this Prospectus relates only to the Metal Securities which are to be admitted to trading on an EEA Member State stock exchange or which are to be offered to the public in any EEA Member State.

3.27 The FCA's approval of this Prospectus relates only to the Metal Securities which are to be admitted to trading on the Main Market of the London Stock Exchange or which are to be offered to the public in the United Kingdom.

3.28 The admission to listing and trading on the SIX Swiss Exchange of the Metal Securities relates only to the Metal Securities which are to be offered to the public in Switzerland.

3.29 See "**Listing, Trading and Passporting**" in **Section** 1**– Description of the Programme** above.

RESPONSIBILITY FOR INFORMATION CONTAINED IN THIS PROSPECTUS

3.30 The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the Issuer's knowledge, the information contained in this Prospectus is in accordance with the facts and the Prospectus does not omit anything likely to affect the import of such information.

NO INVESTMENT ADVICE

3.31 Nothing in this document or anything communicated to holders or potential holders of the Metal Securities or other obligations by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of Metal Securities or the exercise of any rights attached thereto.

3.32 None of the Issuer, any Authorised Participants, the Trustee, the Security Trustee, the Custodian or any other Programme Party makes any representations as to:

(a) the suitability of any Metal Securities for any particular investor;

(b) the appropriate accounting treatment or possible tax consequences of an investment in any Metal Securities; or

(c) the expected performance of any Metal Securities, either in absolute terms or relative to competing investments.

INVESTORS MAY WISH TO OBTAIN INDEPENDENT ADVICE

3.33 Prospective Securityholders may therefore wish to obtain their own independent accounting, tax and legal advice and may wish to consult their own professional investment advisers to ascertain the suitability, merits and risks of an investment in Metal Securities.

USE OF PROCEEDS

3.34 The net proceeds from the issue of Metal Securities will be an amount of Underlying Metal which will be held in Secured Allocated Accounts (or, if applicable, the Secured Allocated Account (FX Hedge)) in respect of such Metal Securities. Such Underlying Metal shall be used to meet the Issuer's obligations under the relevant Metal Securities.

INFORMATION CONTAINED IN THIS PROSPECTUS

3.35 The delivery of this 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 Metal Securities is correct as of any time subsequent to the date indicated in the document containing the same.

NO GUARANTEE

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

SUPPLEMENTARY PROSPECTUS

3.37 If at any time the Issuer is required to prepare a supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation and/or pursuant to the PRM, the Issuer shall prepare and make available an appropriate amendment or supplement to this Prospectus.

BENCHMARK ADMINISTRATORS

3.38 Under Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"), benchmark administrators had to apply for authorisation or registration as an administrator before 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators and benchmarks established and maintained by (i) the European Securities and Markets Authority ("**ESMA**") pursuant to article 36 of the Benchmark Regulation (the "**EU Register**") or (ii) the FCA pursuant to article 36 of the Benchmark Regulation as it forms part of "retained EU law", as defined in the EUWA (the "**UK Benchmark Regulation**") (the "**UK Register**"), as applicable.

3.39 In respect of each Class of the FX Hedged Gold Securities the return on which is linked to the performance of gold, amounts payable thereunder may be calculated by reference to the LBMA gold price, which is provided by ICE Benchmark Administration Limited. As at the Prospectus Date, ICE Benchmark Administration Limited appears on the UK Register and does not appear on the EU Register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that ICE Benchmark Administration Limited is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

3.40 In respect of each Class FX Hedged Metal Securities (including FX Hedged Gold Securities), part of the Metal Entitlement per Security will be linked to the performance of Bloomberg FX benchmarks. Such benchmarks are administered by Bloomberg Index Services Limited ("**BISL**"). As at the Prospectus Date, BISL appears on the UK Register and does not appear on the EU Register. As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmark Regulation apply, such that BISL is not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

THE LBMA GOLD PRICE, WHICH IS ADMINISTERED AND PUBLISHED BY ICE BENCHMARK ADMINISTRATION LIMITED (IBA), SERVES AS, OR AS PART OF, AN INPUT OR UNDERLYING REFERENCE FOR THE FX HEDGED GOLD SECURITES.

LBMA GOLD PRICE IS A TRADEMARK OF PRECIOUS METALS PRICES LIMITED AND IS LICENSED TO IBA AS THE ADMINISTRATOR OF THE LBMA GOLD PRICE. ICE BENCHMARK ADMINSTRATION IS A TRADEMARK OF IBA AND/OR ITS AFFILIATES. THE LBMA GOLD PRICE PM, AND THE TRADEMARKS LBMA GOLD PRICE AND ICE BENCHMARK ADMINISTRATION, ARE USED BY HANETF LIMITED WITH PERMISSION UNDER LICENCE BY IBA.

IBA AND ITS AFFILIATES MAKE NO CLAIM, PREDICATION, WARRANTY OR REPRESENTATION WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE RESULTS TO BE OBTAINED FROM ANY USE OF THE LBMA GOLD PRICE, OR THE APPROPRIATENESS OR SUITABILITY OF THE LBMA GOLD PRICE FOR ANY PARTICULAR PURPOSE TO WHICH IT MIGHT BE PUT, INCLUDING WITH RESPECT TO THE FX HEDGED GOLD SECURITES. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ALL IMPLIED TERMS, CONDITIONS AND WARRANTIES, INCLUDING, WITHOUT LIMITATION, AS TO QUALITY, MERCHANTABILITY, FITNESS FOR PURPOSE, TITLE OR NON-INFRINGEMENT, IN RELATION TO THE LBMA GOLD PRICE, ARE HEREBY EXCLUDED AND NONE OF IBA OR ANY OF ITS AFFILIATES WILL BE LIABLE IN CONTRACT OR TORT (INCLUDING NEGLIGENCE), FOR BREACH OF STATUTORY DUTY OR NUISANCE, FOR MISREPRESENTATION, OR UNDER ANTITRUST LAWS OR OTHERWISE, IN RESPECT OF ANY INACCURACIES, ERRORS, OMISSIONS, DELAYS, FAILURES, CESSATIONS OR CHANGES (MATERIAL OR OTHERWISE) IN THE LBMA GOLD PRICE, OR FOR ANY DAMAGE, EXPENSE OR OTHER LOSS (WHETHER DIRECT OR INDIRECT) HANETF LIMITED MAY SUFFER ARISING OUT OF OR IN CONNECTION WITH THE LBMA GOLD PRICE OR ANY RELIANCE HANETF LIMITED MAY PLACE UPON IT.

SECTION 4 – DEFINITIONS

4.1 All terms and expressions not defined in this **Section 4 – Definitions**, which have defined meanings in **Section 13 – Terms and Conditions of Metal Securities** shall have the same meanings in this Prospectus.

4.2 With respect to this document (other than **Section 13 – Terms and Conditions of Metal Securities**), the following expressions have the following meanings:

"**BaFIN**" means the Bundesanstalt für Finanzdienstleistungsaufsicht, the German Federal Financial Supervisory Authority.

"**Bar List**" means that list of bars of Metal held in Secured Allocated Accounts (or, if applicable, the Secured Allocated Accounts (FX Hedge)), published by the Issuer on the Issuer's Website.

"**Conditions**" means the terms and conditions on and subject to which Metal Securities as set out in **Section 13 – Terms and Conditions of Metal Securities**.

"**CONSOB**" means the Commissione Nazionale per la Societá e la Borsa, the Italian financial supervisory authority.

"**Directors**" means the directors of the Issuer, being at the Prospectus Date persons whose names are listed as such in **Section 7 – Description of the Issuer**.

"**EEA State**" means a member of the European Economic Area.

"**EU**" means the European Union.

"**Euro**", "**EUR**" or "**€**" means euro.

"**FCA**" means the Financial Conduct Authority of the United Kingdom and any successor thereto.

"**Fixing**" means, in relation to each type of Metal on any day on which the Relevant Market is open for business, the price fixing process or processes conducted under or for the purposes of the rules and procedures of the Relevant Association to determine a price for that type of Metal on that day at that Fixing or any successor price fixing process or processes established or authorised by or on behalf of the Relevant Association.

"**Fixing Price**" means, in relation to any Fixing for any type of Metal, the price determined by the Fixing.

"**FSMA**" means the Financial Services and Markets Act 2000 of the United Kingdom.

"**FX Forward Purchase**" means, in respect of a Class of FX Hedged Metal Securities, the notional forward purchase of the Relevant Currency entered into between the Issuer and the FX Hedge Counterparty pursuant to the FX Hedge Agreements.

"**FX Forward Sale**" means, in respect of a Class of FX Hedged Metal Securities, the notional forward sale of the Metal Currency entered into between the Issuer and the FX Hedge Counterparty pursuant to the FX Hedge Agreements.

"**FX Hedge Expense**" means, in respect of a Class of FX Hedged Metal Securities, the Issuer's costs and expenses (including any applicable fees) incurred from its entry into the FX Hedge with the FX Hedge Counterparty as calculated by reference to a rate per day charged by the FX Hedge Counterparty.

"**FX Hedged Gold Securities**" means, in respect of a Class of Gold Securities, securities which are hedged against movements in the exchange rate between the Relevant Currency of such Class and the Metal Currency.

"**FX Unhedged Gold Securities**" means, in respect of a Class of Gold Securities, securities which are not hedged against movements in the exchange rate between the Relevant Currency of such Class and the Metal Currency.

"**FX Hedged Metal Securities**" means, in respect of a Class of Metal Securities, securities which are hedged against movements in the exchange rate between the Relevant Currency of such Class and the Metal Currency.

"**FX Unhedged Metal Securities**" means, in respect of a Class of Metal Securities, securities which are not hedged against movements in the exchange rate between the Relevant Currency of such Class and the Metal Currency.

"**Gold**" means LBMA Good Delivery responsibly sourced gold bars.

"**Gold Securities**" means a Class of Metal Securities in respect of which the Underlying Metal is Gold.

"**Good Delivery**" means the refining standard and weights of Metal set by the Relevant Association.

"**ICSD**" means an International Central Securities Depositary.

"**Individual Securities**" means Metal Securities of a particular Class.

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

"**Issuer Bank Account**" means, in respect of a Class, each cash account established by the Issuer with an Eligible Account Bank into which amounts received by or on behalf of the Issuer for the purpose of effecting Redemptions (including the Issuer Redemption Cash Account).

"**Main Market**" means the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities.

"**Management Fee**" means the management fee payable by the Issuer to HANetf in consideration for the provision by HANetf or an Affiliate or successor of HANetf of all services provided under the Management and Determination Agent Agreement.

"**Metal Currency**" means, in respect of a Metal, the currency in which the price of such Metal is denominated and, unless otherwise specified in the Final Terms, shall be USD.

"**Metal Reference Price**" means, in respect of a Metal, the price of the Metal (expressed in USD) published in respect of either the Metal Price Fixing Time AM or Metal Price Fixing Time PM, by such source as specified in the Final Terms.

"**MiFID2**" means EU Directive 2014/65/EU (the Markets in Financial Instruments Directive), as amended.

"**On-Exchange**" means the trading of Metal Securities on a Relevant Stock Exchange.

"**Original Relevant Data**" means, in relation to a Scheduled Valuation Day, any Relevant Data first used by the FX Hedge Counterparty on such Scheduled Valuation Day.

"**OTC Market**" means the global over-the-counter market for the trading of Metal.

"**ounces**" or "**oz**" means troy ounces. One troy ounce equals 31.1034768 grams.

"**POATRs**" means the rules of the Public Offers and Admissions to Trading Regulations 2024 (SI 2024/105).

"**PRA**" means the Prudential Regulation Authority of the United Kingdom and any successor thereto.

"**PRM**" means the FCA Sourcebook "Prospectus Rules: Admission to Trading on a Regulated Market".

"**Programme**" means the programme for the issue of Metal Securities.

"**Prospectus**" means this base prospectus of the Issuer.

"**Prospectus Date**" means the date on which this Prospectus is approved by the Central Bank, as set out on the first page hereof.

"**EU Prospectus Regulation**" means Regulation (EU) No 2017/1129, as amended from time to time.

"**Registered Office**" means the registered office of the Issuer being 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

"**Regulated Market**" means a regulated market for the purposes of MiFID2, as amended and/or FSMA, as applicable.

"**Relevant Currency**" means the currency in which the Principal Amount of a Metal Security of that Class is denominated, as specified in the Final Terms.

"**Relevant Data**" means all relevant data required by the FX Hedge Counterparty in connection with the FX Hedge transactions.

"**Relevant Market**" means, in respect of gold, the London Metal market.

"**Relevant Stock Exchange**" means the London Stock Exchange, the Frankfurt Stock Exchange, the Borsa Italiana, Euronext Paris, SIX Swiss Exchange and/or any other stock exchange on which Metal Securities of a Class may be listed, as specified in the applicable Final Terms.

"**Revised Relevant Data**" means, in relation to a Scheduled Valuation Day and Relevant Data provided to the FX Hedge Counterparty on such Scheduled Valuation Day, any Relevant Data that is not Original Relevant Data.

"**Secured Allocated Custody Agreement**" means a secured allocated custody agreement between the Issuer, a Custodian, the Security Trustee and the Administrator, and (i) in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities means the Secured Allocated Gold Custody Agreement and (ii) in respect of the FX Hedged Gold Securities means the Secured Allocated Gold Custody Agreement (FX Hedge).

"**Secured Unallocated Custody Agreement**" means a secured unallocated custody agreement between the Issuer, a Custodian, the Security Trustee and the Administrator, and (i) in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities means the Secured Unallocated Gold Custody Agreement and (ii) in respect of the FX Hedged Gold Securities means the Secured Unallocated Gold Custody Agreement (FX Hedge).

"**Scheduled Valuation Day**" has the meaning given to such term in the FX Hedge Additional Conditions.

"**Sub-custodian**" means a sub-custodian appointed by the Custodian as contemplated by a Custody Agreement.

"**Underlying Metal**" means the Metal held in the Secured Allocated Accounts (or, if applicable, the Secured Allocated Accounts (FX Hedge)), which backs the Metal Securities.

"**undated**" means a debt instrument with no set maturity date.

"**United Kingdom**" or "**UK**" means United Kingdom of Great Britain and Northern Ireland.

"**United States**" or "**US**" means the United States of America.

"**US Dollar**" or "**USD**" means the lawful currency of the United States of America.

"**VAT**" means value added tax.

"**Vault**" means the secure vault(s) of a Custodian or Sub-custodian and in respect of the Royal Mint includes the Royal Mint Limited's vault for the secure storage and custody of gold located in South Wales.

"**zero coupon**" means a debt instrument with no periodic coupon payments.

4.3 References in this document to a particular time are, unless otherwise stated, references to the time applicable in London, United Kingdom.

4.4 Unless the context otherwise requires, references in this document to any agreement or documents includes a reference to such agreement or document, as amended, varied, novated, supplemented or replaced from time to time and unless otherwise stated or the context otherwise requires, references in this document to any statute or any provision of any statute include a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder

or any such modification or re-enactment, in each case in force as at the date of this Prospectus.

4.5 References in this document to any legislation of the European Union includes reference to such legislation as it applies in the United Kingdom pursuant to the European Union (Withdrawal) Act 2018 of the United Kingdom, the European Union (Withdrawal Agreement) Act 2020 of the UK and any other applicable UK legislation in relation to the "on-shoring" of retained EU law.

SECTION 5 – PRECIOUS METAL MARKET OVERVIEW

The information provided below does not purport to be a complete summary of information relating to gold, its storage, trade associations or relevant legislation. Prospective purchasers of Metal Securities are advised to conduct their own independent investigation of any precious metal forming part of the Secured Property for the relevant Class of Metal Securities or consult with their relevant advisers as to the prospects and consequences of a purchase of Metal Securities linked to a particular precious metal.

A. Description of Physical Gold

Properties

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

Major producers

5.2 Since 1905, South Africa had been the world's largest producer of gold. However, in 2007 China surpassed South African production. South African production has suffered from declining ore grades, maturing mines, power disruption and labour unrest during this decade. Today, China, Russia, Australia, the United States and Canada account for more than 38 per cent. of the world's annual gold mine production (Source: World Gold Council 2022 statistics).

Major holders

5.3 Global central banks remain a powerful community in terms of the world gold market. According to statistics published by the World Gold Council in September 2023, their combined holdings amounted to 32537.1 tonnes.

5.4 According to those statistics, the largest holder of gold reserves is the United States with 8,134 tonnes, equivalent to 68 per cent. of the United States' total reserves. The average gold to total reserve ratio across all central banks is 18 per cent. However, in Europe ratios are significantly higher (with Portugal holding the highest gold to total reserve ratio at 70.7 per cent.).

Major uses

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

The data referred to in sections 5.2 - 5.5 above is sourced from the World Gold Council, 2021.

B. Operation of the precious metals markets

5.6 Precious metals including gold generally trade in the OTC Market on a 24-hour per day continuous basis. The OTC market includes spot, forwards, options and other derivatives transactions. There is also a developed market for exchange traded futures and options on precious metals, the most significant futures exchanges being the COMEX, a division of the New York Mercantile Exchange, the Chicago Board of Trade, and the Tokyo Commodity Exchange.

5.7 OTC trades are conducted directly between counter-parties who negotiate (a) their own terms and conditions and (b) risk and settlement arrangements. Market makers and other OTC market participants trade with each other and clients on a principal-to-principal basis, using relatively flexible terms for quotes, price, size, delivery point and other factors.

5.8 The main OTC centres are London, Zurich and New York. Market participants including central banks, mining companies, jewellery manufacturers, investors and speculators typically transact in one of these markets. Most of the world's bullion dealers are members or associate members of the LBMA.

5.9 Gold is not a traded security or other traded obligation, but is a commodity traded over-the-counter and so no information can be provided on its terms and conditions. However in the precious metals market section in sections 5.6 to 5.10, there is an overview of how the gold OTC market trades.

5.10 OTC liquidity varies throughout the 24-hour trading day. Typically, liquidity is greatest when trading in European and US time zones overlaps, which also coincides with futures and options trading on COMEX. This period lasts for approximately four hours each New York business day morning.

C. Trading Location

5.11 Although the market for physical gold is distributed globally, most OTC market trades are cleared through London. Amongst other things, the LBMA is the trade association that co-ordinates the activities conducted in the London bullion market, and acts as the principal point of contact between the market and its regulators. The LBMA:

(a) sets refining standards by maintenance of the London Good Delivery Lists (which are the lists of the LBMA accredited melters and assayers of gold);

(b) co-ordinates market clearing and vaulting;

(c) promotes good trading practices; and

(d) develops standard documentation.

5.12 The LBMA publishes a list of specifications for a gold bar to be accepted for trading in the London bullion market. This list of specifications is called the "**London Good Delivery List**" and these requirements are set out in "**The Good Delivery Rules for Gold and Silver Bars**" published by the LBMA.

D. Good Delivery

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

Trading Units

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

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

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = ((1/32.1507465) X 1,000) = 31.1034768 grams.

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

(b) **Fineness:** A measure of the proportion of gold in a bullion bar. It therefore defines the purity of a gold bar.

(c) **Assaying:** The process by which fineness is determined. The fineness of gold jewellery is usually expressed in carats (parts of fine gold per 24). Eighteen-carat jewellery is therefore 750 fine in bullion market terms.

E. LBMA Responsible Sourcing

5.14 The LBMA "Responsible Sourcing Programme" is a mandatory independent audit programme for verifying and ensuring that the gold and silver supply chains are meeting international ethical standards. It expands on the Good Delivery List programme by requiring refiners to implement the LBMA's responsible sourcing

guidance which aims to tackle widespread abuses of human rights, avoid contributing to conflict and to comply with high standards of anti-money laundering and to combat terrorist financing practices globally. Amongst other matters, the LBMA's responsible sourcing guidelines requires refiners to verify the country of origin of the gold it has sourced and, in particular, verify that it does not originate from a country that is subject to sanctions. Further information on the LBMA Responsible Sourcing Programme as of the date of this Prospectus can be found here: https://cdn.lbma.org.uk/downloads/Publications/2021/Responsible-Gold-Guidance-Version-9-Final.pdf.

F. Recycled Gold

5.15 The recycled gold also backing the Gold Securities is not recycled from multiple sources, but purely from scraps in The Royal Mint's manufacturing process which uses responsibly sourced gold that has already been approved and certified. This creates a closed circuit of a circular ecosystem whereby only pre-approved, responsibly sourced gold is recycled into new bars. This greatly reduces the carbon intensity of the Gold when compared to the carbon intensive mining process involved in mined gold, but also ensures it is traceable and that its lifecycle is transparent.

G. Unit for Delivery of Loco London Gold

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

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

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

5.19 Additionally, each gold bar must bear the following markings:

(a) the serial number;

(b) the assay stamp of refiner;

(c) the fineness (to four significant figures); and

(d) the year of manufacture (expressed in four digits).

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

5.21 Further information, including The Good Delivery Rules, can be found on http://www.lbma.org.uk/good-delivery.

H. Storage

Allocated Accounts

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

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

5.24 For a description as to how allocated accounts are used in the Programme, see **Section 1 – Description of the Programme**.

Unallocated Accounts

5.25 Unallocated accounts are accounts held by dealers in clients' names on which are maintained balances of gold that represent an entitlement of the client to have equivalent amounts of gold delivered by the dealer. The balances do not represent uniquely identifiable bars of gold "allocated" to a specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding bullion and are integral to the loco London mechanism for these metals.

5.26 The unit of these accounts in respect of gold is fine troy ounces of gold based upon a 995.0 fine LGD gold bar. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific bars of gold, but instead represent a right of the client to call for delivery of the relevant amount of gold. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian (as explained in more detail in ***Risks Relating to the Custodian and the Metal Agent*** in **Section 2 – Risk Factors**).

5.27 Should the client wish to receive actual gold, this is done by "allocating" specific bars, the gold content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that

gold may be allocated on a relevant London Business Day on which it is called for, with gold generally available for collection within two London Business Days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

5.28 For a description as to how unallocated accounts are used in the Programme, see **Section** 1**– Description of the Programme.**

I. The Fixing Price

5.29 The London market provides a metal pricing service whereby the fixing price is intended to represent the matching of orders from customers throughout the world. Historically the Fixings in each of the Relevant Markets took place by telephone every day on which members are open for dealing in London. Since 2014, a number of changes have been implemented to the Fixing Price for each type of Bullion to introduce new auction processes.

Gold

5.30 On 20 March 2015, ICE Benchmark Administration began administering the operation of an electronic, tradable and auditable, over-the-counter auction market with the ability to settle trades in US Dollars, Euros or Sterling for LBMA-authorised participating gold bullion banks or market makers. This auction establishes a reference gold price for that day's trading.

Documentation

5.31 London Precious Metals Clearing Limited ("**LPMCL**") has published the standard forms of Allocated Precious Metals Accounts Agreement and Unallocated Precious Metals Accounts Agreement (latest versions dated 7 July 2008 and 5 October 2007 respectively) setting out the standard terms on which custodians hold precious metals in allocated and unallocated accounts on behalf of clients. These LPMCL standard forms have superseded the earlier versions published by the LBMA.

5.32 The LBMA has published a number of other standard documents and agreements which cover the terms and conditions for dealing in spot, forward, options and derivatives transactions in the OTC gold market. In all dealings in gold the Issuer will, to the extent possible, use the standard LPMCL and LBMA documentation, amended as required in connection with The Royal Mint Responsibly Sourced Physical Gold ETC Securities.

J. Regulation

5.33 As far as the London bullion market is concerned, regulation falls under two categories, the companies involved and the market itself. The PRA at the Bank of England (website: http://www.bankofengland.co.uk) is responsible for prudential banking regulation of most of the financial firms that are active in the bullion market. The PRA works closely with the FCA (website: http://www.fca.org.uk) which is responsible for consumer and competition issues.

5.34 Under FSMA, all United Kingdom based banks, together with other investment firms, are subject to a range of requirements including capital adequacy, liquidity and systems and controls. Conduct of business in the London bullion market however falls under two jurisdictions dictated by the type of business. The FCA is responsible for "investment business" as defined under FSMA, which for the bullion market covers derivatives.

5.35 The requirements upon firms in their dealings with market professionals include those required under MiFID2, which became effective on 1 January 2018. For spot, forwards and deposits in gold which are not covered by FSMA, guidelines for the conduct of business are set out in The London Code of Conduct for Non-Investment Products (the "**London Code**"). This London Code has been drawn up by market practitioners representing the foreign exchange, money and bullion markets in conjunction with the Bank of England. It sets out the standards of conduct and professionalism expected between market practitioners and their clients.

5.36 In June 2014, the UK HM Treasury announced a review in relation to the way in which wholesale financial markets operate. Following this review the FCA published a policy statement implementing the regulatory and supervisory regime for seven additional benchmarks in the fixed income, commodity and currency markets to be treated as "regulated benchmarks" in the UK. The consequence of this meant that administrators responsible for these benchmarks will need to be regulated and comply with the relevant FCA regulations.

SECTION 6 – DOCUMENTS INCORPORATED BY REFERENCE

A. Documents incorporated by reference

6.1 The following documents are incorporated by reference in this Prospectus:

(a) the Issuer's Directors' report and audited financial statements for the year ended 31 March 2024, dated 18 July 2024;

(b) the Issuer's Directors' report and audited financial statements for the year ended 31 March 2025, dated 25 July 2025;

(c) the Issuer's Directors' report and audited financial statements for the year ended 31 March 2026, dated 24 July 2026;

(d) the FX Hedge Counterparty's 2025 Annual Report and Annual Accounts, available at: https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2025/annual/pdfs/hsbc-bank-plc/260225-annual-report-and-accounts-2025.pdf;

(e) the FX Hedge Counterparty's 2024 Annual Report and Annual Account, available at: https://www.hsbc.com/-/files/hsbc/investors/hsbc-results/2024/annual/pdfs/hsbc-bank-plc/250219-annual-report-and-accounts-2024.pdf.

6.2 The documents referred to in sub-paragraph (a) to (c) (inclusive) above are available from https://www.hanetf.com/issuer-financial-statements.

6.3 All documents incorporated by reference in this Prospectus have been filed with the Central Bank and the FCA.

6.4 Unless specifically stated otherwise, no documents form part of this Prospectus for purposes of the EU Prospectus Regulation. Other than in relation to the documents which are deemed to be incorporated by reference, any website mentioned in this Prospectus does not form part of the Prospectus.

SECTION 7 – DESCRIPTION OF THE ISSUER

A. Information Contained in this Section

7.1 No Programme Party aside from the Issuer has verified the accuracy of the information contained in this section. Prospective investors in Metal Securities should conduct their own due diligence on the Issuer.

B. General Information About the Issuer

7.2 The Issuer, HANetf ETC Securities plc, was incorporated in Ireland on 24 January 2020 as a public limited company under Irish law with registration number 664945. The Issuer has been incorporated for an indefinite period. The Issuer is a special purpose company which was established for the purpose of issuing asset-backed securities, including Metal Securities backed by the underlying Metal, and other asset-backed exchange traded securities (including Carbon Securities), and, in relation to the Metal Securities, entering into agreements relating to the Metal Securities and the underlying Metal and agreements relating to such other asset-backed exchange-traded securities and the underlying assets thereof.

7.3 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 1 411 2949.

7.4 The LEI code of the Issuer is 635400GQU6WKILM5R975.

7.5 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 the Issuer passed on 27 January 2020.

7.6 The core business of the HANetf group is to assist companies that have specific market experience to use that experience to develop exchange-traded products. It supports these companies by designing the relevant product features, providing connectivity to all necessary market participants via its range of operational agreements, deploying its sales and marketing teams and issuing exchange-traded securities via the Issuer.

C. Shareholders and Share Capital

7.7 The shares in the Issuer are all held by Apex Corporate Services (Ireland) Limited, a company incorporated in Ireland, and the ownership in the shares is subject to an orphan trust. Further details of Apex Corporate Services (Ireland) Limited are set out at the section entitled ***Administrator***, below.

7.8 No other party to the Programme owns or controls the Issuer and the Issuer does not have any subsidiary undertakings.

7.9 As at the Prospectus Date, the authorised share capital of the Issuer is €25,000 divided into 25,000 ordinary shares of €1 each, of which 25,000 have been issued

and paid up to the amount of €6,250 and are held by Apex Corporate Services (Ireland) Limited on trust for charitable purposes.

D. Operations of the Issuer

7.10 The Issuer was incorporated on 24 January 2020. The end of the Issuer's financial year is 31 March and the annual audited accounts will be published each year by 31 July. Half-yearly unaudited account for periods ending 30 September will be published annually by 31 December. As at the Prospectus Date, the following Classes of Metal Securities have been issued:

	Class	Type of Metal Securities
(a)	The Royal Mint Responsibly Sourced Physical Gold ETC Securities	FX Unhedged Gold Securities
(b)	The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities	FX Hedged Gold Securities
(c)	The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities	FX Hedged Gold Securities
(d)	The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities	FX Hedged Gold Securities

7.11 The Issuer has not been assigned a credit rating and it is not intended that any Metal Securities will be assigned credit ratings.

7.12 The business of the Issuer is limited to the performance of its obligations under (i) any Metal Securities issued under the Programme, as detailed in clause 8.22(a) of the Master Trust Deed; and (ii) any Carbon Securities issued under the Issuer's programme for the issuance of Carbon Securities as more particularly referred to and defined in the Carbon Securities Base Prospectus. The Carbon Securities programme gives rise to contractually segregated, limited recourse obligations of the Issuer thereunder, and those obligations are not secured by the same Security as secures the Metal Securities, and remain 100% asset backed on a daily basis. Accordingly, the Metal Securities and the Carbon Securities are not competing claims on the Issuer or any of the Issuer's assets. Subject to this, the Metal Securities rank equally with the Carbon Securities, which is the other indebtedness of the Issuer.

7.13 Other than the subscription monies received in respect of the issued share capital (to the extent not applied in discharge of certain establishment expenses of the Issuer), the Issuer has, and will have, no assets other than a small amount of profit received by the Issuer in connection with the issue of each Class of Metal Securities and each class of Carbon Securities.

7.14 The Metal Securities are obligations of the Issuer alone and are not guaranteed in any way by any other party.

E. Directors

7.15 The Directors of the Issuer (as at the Prospectus Date) are described below:

David Murphy

David is a Transaction Manager at Apex IFS Limited. David has over 14 years' experience within financial services through Banking and with Corporate Service Providers. David serves as a Non-Executive Director of a number of Irish companies engaged in cross-border financial activities including a variety of aircraft leasing and capital markets SPVs. David has an extensive knowledge of a wide variety of transaction types, including but not limited to aircraft leasing, MBS, Receivables, CRE lending and ETP Issuers.

David holds a bachelor's degree in Transport Operations and Technology as well as the Qualified Financial Advisor designation from the Institute of Bankers.

Ciaran Connolly

Ciaran Connolly is a Client Director and Business Relationship Manager for Apex IFS Limited. With over 13 years' experience in the professional services industry, Ciaran joined the Aviation and Structured Finance Business Development team of Apex IFS Limited in 2015. Ciaran serves as a Non-Executive Director to a number of Irish companies engaged in cross-border financial activities including a variety of leasing transactions, bond issuance vehicles asset financing and securitisations. Ciaran has an extensive knowledge on a wide variety of transaction types, including but not limited to aircraft leasing, MBS, CMBS, RMBS, receivables, LPN's, CLOs and CDOs.

Ciaran holds a Bachelor's Degree in Accounting and Finance, is a member of the Association of Certified Chartered Accountants (ACCA) and also holds Specialist Diploma Qualifications in Corporate Finance and Taxation.

David O'Neill

David joined HANetf in February 2024 as CEO of HANetf EU bringing a wealth of experience from over 16 years working in a variety of roles across front, middle and back offices in both Ireland and the UK. Most recently, David was Executive Director and Chief Operating Officer at HAL Fund Services Ireland where he oversaw the day-to-day operations of a third party management company offering both UCITS and AIF management services to a diverse clientele across a wide range of asset classes. Prior to that, David was Head of Investment & Fund Services at the Asset Management Exchange (AMX) where he oversaw a large team responsible for the day-to-day investment and operational oversight of over 20 funds across a number of the firm's platforms. Earlier in his career he held senior roles with AlbaCore Capital as Head of Operations and Knight Capital as Head of European Institutional Trading.

David graduated from University College Cork with a first class honours Bachelor of Engineering degree in 2005.

7.16 The business address of David Murphy and Ciaran Connolly is the same as that of the Administrator. The business address of David O'Neill is 7/8 Mount Street Upper, Dublin 2, D02 FT59, Ireland.

F. Legal and Arbitration Proceedings

7.17 The Issuer has not been subject to any governmental, legal or arbitration proceedings (or any such proceedings which are pending or threatened of which the Issuer is aware) since the date of its incorporation, which may have, or have had in the recent past, significant effects on the Issuer's financial position.

G. Administrator

7.18 The information set out in this section has been obtained from Apex Corporate Services (Ireland) Limited and from Apex Fund Services (Ireland) Limited (the "**Administrator**"). Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Administrator, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Administrator since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

7.19 The Issuer has appointed the Administrator, pursuant to the terms of the Administration Agreement to carry out certain operation functions on behalf of the Issuer with respect, in particular, to the settlement process on a Subscription for, or Redemption of, Metal Securities, including the giving of instructions to the Custodian on behalf of the Issuer to transfer Metal into and out of a Secured Account, in accordance with the terms of the Operating Procedures.

7.20 An Affiliate of the Administrator, Apex Corporate Services (Ireland) Limited acts as the corporate administrator of the Issuer. Its duties include the provision of directorships and shareholder services, accounting and reporting, regulatory and tax compliance and certain transaction management services. The business address of the Administrator is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin, D01 P767, Ireland.

7.21 Apex Corporate Services (Ireland) Limited also acts as the company secretary of the Issuer.

7.22 Apex Corporate Services (Ireland) Limited was established on 2 August 2018 and is licensed by the Department of Justice as Trust or Company Services Provider. The Administrator and Apex Corporate Services (Ireland) Limited are part of the Apex Group, Ltd., a global financial services organisation and the one of the global top tier independent service providers, which retains a focus on high client service levels

delivered locally and administers circa $3.4 trn in assets. Globally, the Apex Group administers over 10,000 structures.

H. HANetf

7.23 The information set out in this section headed ***HANetf*** has been obtained from HANetf Limited. Such information has been accurately reproduced and, as far as the Issuer is aware, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Prospectus shall not create any implication that there has been no change in the affairs of HANetf since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

7.24 The Issuer and HANetf have entered into a Management and Determination Agent Agreement in relation to the Programme pursuant to which HANetf provides operational support services to the Issuer in relation to the Programme, including obligations in relation to the making of certain calculations and determinations in relation to the Metal Securities. As at the Prospectus Date, HANetf is the Determination Agent in respect of the Programme.

7.25 HANetf is currently an appointed representative of Privium Fund Management (UK) Limited ("**Privium**"). Privium is a professional services firm authorised and regulated by the UK Financial Conduct Authority. HANetf Limited provides a variety of services to exchange traded products including but not limited to launching exchange traded products on platforms it establishes, on-going operational support, marketing, capital markets and distribution and product development.

7.26 As stated in the section entitled ***Operations of the Issuer*** above, the Metal Securities are obligations of the Issuer alone and not of HANetf.

I. Financial Information

7.27 As at the Prospectus Date, the Issuer has drawn up audited financial statements for the year ended 31 March 2024, dated 18 July 2024, for the year ended 31 March 2025, dated 25 July 2025 and for the year ended 31 March 2026, dated 24 July 2026. These financial statements are incorporated by reference and available at https://www.hanetf.com/issuer-financial-statements.

7.28 As at the Prospectus Date, there has been no significant change in the financial performance of the Issuer and no material adverse change in the financial position or prospects of the Issuer, in each case since 31 March 2026, being the date of its last published audited financial statements.

7.29 The Issuer prepares its financial statements in accordance with the International Financial Reporting Standards.

7.30 The Issuer will publish half-yearly financial statements for the period to 30 September and yearly financial statements to 31 March for each financial year.

7.31 The Issuer will publish its unaudited half-yearly financial statements by 31 December in each year. The Issuer will publish its audited yearly financial statements by 31 July in each year.

7.32 The auditor of the Issuer is EY, a member of Chartered Accountants Ireland.

7.33 The Issuer is a "*public-interest entity the business of which is to act as issuer of asset-backed securities*" (as such term is used in Directive 2006/43/EC of the European Parliament and of the Council (the "**Accounts Directive**")). As noted in 7.12 above, the business of the Issuer consists of (i) the issue of Metal Securities and related activity relevant to its obligations towards making payments in respect of the Metal Securities; and (ii) the issue of Carbon Securities issued under the Issuer's programme for the issuance of Carbon Securities as more particularly referred to and defined in the Carbon Securities Base Prospectus. The Issuer is not therefore an operating business and, in accordance with Article 41.6(c) of the Accounts Directive, does not consider it appropriate to have either an audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee.

J. Conflicts of Interest

7.34 Mr. Connolly and Mr Murphy are employees of Apex IFS Limited, an Affiliate of Apex Corporate Services (Ireland) Limited. Mr. O'Neill is an employee of HANetf EU Limited. While these roles could potentially lead to conflicts of interest, the Directors do not believe that, as at the Prospectus Date, there are any actual conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interest and/or other duties that such persons may have. The Apex Group and HANetf have conflicts of interest policies in place that are designed to prevent conflicts of interest arising and mitigate the effect of conflicts of interest, should they arise.

7.35 Save as specifically stated in Section 7.34 above, none of the principal activities performed by the Directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme. In addition, there are no conflicts of interest between members of the administrative, management and supervisory bodies of the Issuer and the private interest of such members.

K. Material Contracts

7.36 As at the Prospectus Date, the Issuer has not entered into any material contracts that are not in the ordinary course of the Issuer's business.

L. Substitution

7.37 Provided that the conditions set out in Condition 14.3 are satisfied, Condition 14.3 grants a power exercisable by the Trustee to apply to approve that a different company to the Issuer replaces the Issuer as principal debtor under the Metal Securities and Programme Documents.

SECTION 8 – DESCRIPTION OF THE FX HEDGE COUNTERPARTY

8.1 The information on HSBC Bank plc in this section of the Prospectus is provided for the purposes of the EU Prospectus Regulation.

8.2 The information on HSBC Bank plc in this section of the Prospectus has been replicated from the registration document of HSBC Bank plc dated 15 May 2026, which was approved by the FCA in compliance with the PRM and made publicly available at https://www.hsbc.com/-/files/hsbc/investors/fixed-income-investors/issuance-programmes/hsbc-bank-plc/2026/260515-registration-document-dated-15-may-2026.pdf. The Issuer confirms that such information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by HSBC Bank plc, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has not made any independent verification of information contained in this Prospectus provided to it by HSBC Bank plc, relating to HSBC Bank plc or any other member of the HSBC group.

8.3 All references in this section of the Prospectus to "FX Hedge Counterparty" refer to HSBC Bank plc, all references to "Group" refer to HSBC Bank plc and its subsidiary undertakings, all references to "HSBC Group" refer to HSBC Holdings plc and its subsidiary undertakings.

History and Development of the FX Hedge Counterparty

8.4 The FX Hedge Counterparty is a public limited company registered in England and Wales under registration number 00014259. The liability of its members is limited. It has its registered office and head office at 8 Canada Square, London, E14 5HQ, United Kingdom and the telephone number is +44 20 7991 8888. The FX Hedge Counterparty was constituted by Deed of Settlement on 15 August 1836 and in 1873 was registered under the Companies Act 1862 as an unlimited company. It was re-registered as a company limited by shares under the Companies Acts 1862 to 1879 on 1 July 1880. On 27 November 1923, the FX Hedge Counterparty adopted the name of Midland Bank Limited which it held until 1 February 1982 when the FX Hedge Counterparty was re-registered under the Companies Acts 1948 to 1980 as a public limited company and changed its name to Midland Bank plc. During the year ended 31 December 1992, Midland Bank plc became a wholly-owned subsidiary undertaking of HSBC Holdings plc ("**HSBC Holdings**") and by special resolution on 27 September 1999 changed its name from Midland Bank plc to HSBC Bank plc. For the purposes of advertising, the FX Hedge Counterparty uses the abbreviation HSBC.

Legislation

8.5 The FX Hedge Counterparty is subject to primary and secondary legislation relating to financial services and banking regulation in the United Kingdom, including, *inter alia*, UK Financial Services and Markets Act 2000 (as amended) ("**FSMA 2000**") for the purposes of which the FX Hedge Counterparty is an authorised person carrying on the business of financial services provision. In addition, as a public limited

company, the FX Hedge Counterparty is subject to the UK Companies Act 2006 (as amended).

Principal activities and markets

8.6 The information in this "Principal activities and markets" section is as at the date of this Prospectus. The Group provides a comprehensive range of banking and related financial services.

8.7 The HSBC Group's products and services are delivered to clients through four businesses: Hong Kong; UK; Corporate and Institutional Banking; and International Wealth and Premier Banking.

8.8 HSBC Group's Hong Kong business comprises Retail Banking and Wealth and Commercial Banking of HSBC Hong Kong and Hang Seng Bank.

8.9 HSBC Group's UK business comprises UK Retail Banking and Wealth (including first direct and M&S Bank) and UK Commercial Banking, including HSBC Innovation Bank.

8.10 HSBC Group's Corporate and Institutional Banking ("**CIB**") business integrates HSBC's Commercial Banking business (outside the UK and Hong Kong) with HSBC's Global Banking and Markets business.

8.11 HSBC Group's International Wealth and Premier Banking ("**IWPB**") business comprises Premier banking outside of Hong Kong and the UK, HSBC's Private Bank, Asset Management and Insurance businesses.

8.12 The FX Hedge Counterparty includes CIB and IWPB businesses in Europe. The region acts as a global connector, linking European clients to opportunities across the HSBC Group's network, and global clients to opportunities in Europe. It deploys significant capital to support European clients, that in turn helps drive profitable business booked in other parts of the HSBC Group's network.

8.13 The FX Hedge Counterparty's CIB business integrates the FX Hedge Counterparty's Commercial Banking business with its Global Banking and Markets business.

8.14 In Europe, IWPB serves customers through its distinct propositions, Premier and International Banking and the FX Hedge Counterparty's Private Bank, with a focus on serving customers' wealth needs. These customers' needs are catered for through the FX Hedge Counterparty's integrated product and manufacturing capabilities of Wealth & Premier Solutions, Asset Management and Insurance.

8.15 As at 31 December 2025, the FX Hedge Counterparty and its subsidiaries had a presence in Belgium, Bermuda, the Channel Islands and the Isle of Man, the Czech Republic, France, Germany, Ireland, Israel, Italy, Luxembourg, Malta (announced planned exit), the Netherlands, Poland, South Africa (sale of business in South Africa completed during the first quarter of 2026), Spain, Sweden, Switzerland and the UK.

8.16 As at 31 December 2025, the FX Hedge Counterparty's main subsidiary undertakings and their country of incorporation or registration were:

Name of Subsidiary Undertakings	Location
HSBC Investment Bank Holdings Limited	England and Wales
HSBC Private Bank (Suisse) SA	Switzerland
HSBC Bank Bermuda Limited	Bermuda
HSBC Continental Europe (99.99 per cent. owned)	France
HSBC Bank Malta plc.[1] (70.03 per cent. owned)	Malta
HSBC Life (UK) Limited[2]	England and Wales
HSBC Securities Services (Ireland) DAC	Ireland
HSBC Trustee (C.I.) Limited	Jersey
Internationale Kapitalanlagegesellschaft mit beschränkter Haftung	Germany
HSBC Private Bank (Luxembourg) S.A.	Luxembourg
HSBC Life Assurance (Malta) Limited (70.03 per cent. owned)	Malta

8.17 The subsidiaries, joint ventures and associates of the FX Hedge Counterparty are described in more detail on pages 163 to 165 of the 2025 Annual Report and Accounts (incorporated by reference herein).

Organisational Structure

8.18 The FX Hedge Counterparty is a wholly and directly owned subsidiary of HSBC Holdings.

8.19 The HSBC Group is one of the largest banking and financial services organisations in the world with an international network which covers 56 countries and territories. Within these regions, a range of banking and related financial services is offered to personal, commercial, corporate, institutional, investment and private banking clients. As at 31 March 2026, the total assets of the HSBC Group were U.S. $ 3,306,011 million.

Ratings

8.20 The FX Hedge Counterparty has been assigned the following long-term credit ratings:

(a) A+ by S&P. This means that S&P is of the opinion that the FX Hedge Counterparty has a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in

[1] For further information on the planned sales of HSBC Bank Malta p.l.c. and *Internationale Kapitalanlagegesellschaft mit beschränkter Haftung*, please see Note 34 'Assets held for sale and liabilities of disposal groups held for sale' in the notes to the financial statements in the 2025 Annual Report and Accounts.

[2] On 30 January 2026, HSBC Bank plc completed the sale of its UK life insurance entity, HSBC Life (UK) Limited.

circumstances and economic conditions than obligors in higher-rated categories;

(b) A1 by Moody's. This means that Moody's is of the opinion that the FX Hedge Counterparty is upper-medium-grade and is subject to low credit risk; and

(c) AA by Fitch. This means that Fitch is of the opinion that the FX Hedge Counterparty poses expectations of very low default risk, indicates very strong capacity for payment of financial commitments and this capacity is not significantly vulnerable to foreseeable events.

8.21 The FX Hedge Counterparty has also been assigned the following short-term credit ratings:

(a) A-1 by S&P. This means that S&P is of the opinion that the FX Hedge Counterparty's capacity to meet its financial commitments on its short-term obligations is strong.

(b) P-1 by Moody's. This means that Moody's is of the opinion that the FX Hedge Counterparty has a superior ability to repay short-term debt obligations; and

(c) F1+ by Fitch. This means that Fitch is of the opinion that the FX Hedge Counterparty has an exceptionally strong credit feature and the strongest intrinsic capacity for timely payment of short-term financial commitments.

8.22 Each of S&P, Moody's and Fitch is established in the United Kingdom and is registered as a credit rating agency under the UK CRA Regulation.

8.23 A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Directors of the FX Hedge Counterparty

8.24 The directors of the FX Hedge Counterparty, each of whose business address is 8 Canada Square, London, E14 5HQ, United Kingdom, their functions in relation to the FX Hedge Counterparty and their principal outside activities (if any) of significance to the FX Hedge Counterparty are as follows:

Name	Function(s) within the FX Hedge Counterparty	Principal activities outside of the FX Hedge Counterparty
E Murray*	Chair	Senior Independent Non-executive Director and Chair of the Group Technology and Operations Committee, member of the Remuneration Committee, Chairman's Committee and Nomination and Corporate Governance Committee, of HSBC Holdings plc

		Chair of Broadridge Financial Solutions, Inc and Invisible Urban Charging Non-executive Director of Guardian Life Insurance Company of America Advisor to Liberty City Ventures
M Roberts	Director and Chief Executive Officer	-
K Mahtani	Director and Chief Financial Officer	-
P Clackson*	Director	-
J Ellis*	Director	-
E Goh*	Director	Chair, Singapore Institute of Management Group Ltd Independent non-executive director, Jebsen & Jessen Pte Ltd Member, Singapore Council of Board Diversity and the Public Service Commission
K Gurney**	Director	General Counsel, Asia and Middle East, The Hongkong and Shanghai Banking Corporation Limited
D Hannigan*	Director	Independent Non-executive Director, Chair of the Audit Committee, Chair of the Nomination Committee and member of the Risk Committee, HSBC Continental Europe Independent Non-Executive Director, member of the Nomination and Governance Committee, member of the Audit Committee, member of the Risk Committee and Chair of the Investment Committee, New Ireland Assurance Company plc Chair of the Board of Dublin City University Educational Trust
L O'Donald*	Director	Co-founder/ Partner, Arboreal Risk Advisors LLP Member, GARP Board of Trustees Advisor, Citizens Advice Bureau Trustee, Dorchester Sailing Club
A Wright*	Director	-
S Branch*	Director	Chair, Target Ovarian Cancer
M de Jong*	Director	Advisor, Pollen Street Capital and Frame Vastgoed Non-executive Director of Jeremia BV Managing Director and owner of Jumons BV

Notes:

* Independent Non-executive Director

** Internal Non-executive Director

Conflicts of Interest

8.25 There are no existing or potential conflicts of interest that are material in relation to the hedging transactions entered into by the FX Hedge Counterparty in respect of any Metal Securities between any duties owed to the FX Hedge Counterparty by the directors of the FX Hedge Counterparty and their private interests and/or other external duties.

Share Capital and Major Shareholders

8.26 For details on the share capital of the FX Hedge Counterparty as at 31 December 2025, see "Note 29 - Called up share capital and other equity instruments" on page 155 of the 2025 Annual Report and Accounts. See "Organisational Structure" above for details of the FX Hedge Counterparty's current shareholder.

Corporate Governance

8.27 For details on the FX Hedge Counterparty's corporate governance regime, see the section headed "Corporate Governance Report" on pages 73 to 80 of the 2025 Annual Report and Accounts.

Dividends

8.28 The FX Hedge Counterparty paid the following dividends in relation to its issued shares during the previous three years:

Year	Aggregate Dividends (in £m)	Comments
2023	750	Including payment of U.S.$26,250 under the Non-Cumulative Third Dollar Preference Shares.
2024	312	Including payment of U.S.$26,250 under the Non-Cumulative Third Dollar Preference Shares.
2025	1,683	Including payment of U.S.$26,250 under the Non-Cumulative Third Dollar Preference Shares.

8.29 In addition, the FX Hedge Counterparty's board approved the payment of an interim dividend of £298 million in respect of 2026, which as at 15 May 2026 was expected to be paid in June 2026.

General information

8.30 The annual consolidated financial statements of the FX Hedge Counterparty contained within the 2025 Annual Report and Accounts and the 2024 Annual Report and Accounts comply with UK-adopted international accounting standards and with the requirements of the UK Companies Act 2006, and have also applied international financial reporting standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. Such financial statements are also prepared in accordance with IFRS Accounting Standards, including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRS Accounting Standards for the periods presented.

8.31 There has been no significant change in the financial position or financial performance of the FX Hedge Counterparty or the Group nor any material adverse change in the prospects of the FX Hedge Counterparty since 31 December 2025.

8.32 Save as disclosed in Note 25 "Provisions" on pages 148 to 149 and Note 32 "Legal proceedings and regulatory matters" on pages 157 to 158, of the 2025 Annual Report and Accounts (incorporated by reference herein), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the FX Hedge Counterparty is aware) during the 12 months prior to the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the FX Hedge Counterparty and/or the Group.

8.33 PricewaterhouseCoopers LLP, of 1 Embankment Place, London, WC2N 6RH, United Kingdom has audited without qualification the consolidated financial statements of the FX Hedge Counterparty contained in the 2025 Annual Report and Accounts and the 2024 Annual Report and Accounts for the financial years ended 31 December 2025 and 31 December 2024, respectively. PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales.

8.34 The date of the articles of association of the FX Hedge Counterparty is 11 June 2024.

8.35 The FX Hedge Counterparty does not have a specific purpose or objects clause in its articles of association. The FX Hedge Counterparty is an authorised institution under FSMA 2000 and provides a comprehensive range of banking and related financial services.

8.36 For so long as the FX Hedge Counterparty may enter into hedging transactions with respect to the Metal such Securities, the following documents may be inspected during normal business hours at the registered office of the FX Hedge Counterparty or at the website set out by each relevant document listed below for the 12 months from the date of this Prospectus:

(a) the up to date articles of the FX Hedge Counterparty (website: www.hsbc.com (please follow links to 'Investors', 'Fixed income investors' and 'Issuance programmes')); and

(b) the 2025 Annual Report and Accounts and the 2024 Annual Report and Accounts (website: www.hsbc.com (please follow links to 'Investors', 'Results and announcements', 'All reporting' and 'Subsidiaries')).

8.37 The Legal Entity Identifier (LEI) code of the FX Hedge Counterparty is MP6I5ZYZBEU3UXPYFY54.

SECTION 9 – DESCRIPTION OF DOCUMENTS

A. Overview of Programme Documents

9.1 The following is a summary of the key provisions of the main Programme Documents, namely:

In respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities:

(a) the Master Trust Deed dated 31 January 2020;

(b) the Custody Agreements dated 31 January 2020;

(c) the Security Deed dated 31 January 2020;

(d) each Authorised Participant Agreement;

(e) the Metal Agent Agreement dated 31 January 2020;

(f) the Administration Agreement dated 31 January 2020;

(g) the Management and Determination Agent Agreement dated 31 January 2020; and

(h) the Issuing and Paying Agent Agreement dated 31 January 2020.

In respect of (a) The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, (b) The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and (c) The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities, and any further Class of Metal Securities issued pursuant to this Prospectus:

(a) the Master Trust Deed dated 26 September 2024;

(b) the Custody Agreements dated 26 September 2024;

(c) the Security Deed dated 26 September 2024;

(d) each Authorised Participant Agreement;

(e) the Metal Agent Agreement dated 26 September 2024;

(f) the Administration Agreement dated 31 January 2020;

(g) the Management and Determination Agent Agreement dated 26 September 2024;

(h) the Issuing and Paying Agent Agreement dated 31 January 2020;

(i) the FX Overlay Agreement dated 26 September 2024; and

(j) the ISDA Master Agreement (including its Schedule) dated 26 September 2024.

9.2 In addition to the Programme Documents set out above, the Issuer has also entered into an Account Bank Agreement on 5 October 2021.

9.3 The summaries below are of certain provisions of the Programme documents and do not purport to be complete and are subject to the detailed provisions of the relevant Programme documents. Each of these documents (with the exception of the Authorised Participant Agreements and the Account Bank Agreement) is available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland, during normal business hours on any Dublin Business Day. The Issuer reserves the right to redact certain provisions related to sensitive commercial matters and certain procedures for security reasons.

9.4 The summaries below are drafted in legal language, however, details on how each of the documents impacts on Securityholders is contained throughout this Prospectus including in **Section** 1**– Description of the Programme**.

B. Trust Deed

9.5 Each Class of Metal Securities will be constituted by a master trust deed (as specified in paragraph 9.1 above) between the Issuer and the Trustee, as trustee for the holders of the Metal Securities and the other persons specified therein (as amended, supplemented, novated and/or replaced from time to time, (the "**Master Trust Deed**")).

9.6 The Master Trust Deed may from time to time be supplemented and/or amended by a supplemental trust deed relating to that Class and made between the Issuer and the Trustee (as amended, supplemented, novated and/or replaced from time to time, a "**Supplemental Trust Deed**"). The Master Trust Deed and any Supplemental Trust Deed in respect of each Class of Metal Securities are referred to together as the "**Trust Deed**".

9.7 Each Trust Deed sets out the obligations of the Issuer and the Trustee in respect of the relevant Class.

9.8 In respect of the Issuer, the Trust Deed sets out, amongst other things:

(a) the Issuer's covenants to pay and to deliver;

(b) provisions relating to the Issuer's duty to provide, prepare and display certain information;

(c) the extent to which the Issuer may delegate its obligations;

(d) the Issuer's duties with respect to its obligations under the Metal Securities; and

(e) the Issuer's capacity only to do such things as are contemplated in the Trust Deed.

9.9 In respect of the Trustee, the Trust Deed sets out, amongst other things:

(a) the basis for the Trustee's remuneration;

(b) the indemnification of the Trustee in respect of its duties;

(c) that the Trustee may delegate all or any of its functions in respect of the Metal Securities when it considers it expedient and in the interests of the Securityholders;

(d) the conditions for the Trustee's appointment, removal and retirement; and

(e) provisions supplemental to certain statutory provisions which set out the extent of the Trustee's powers and its duties.

9.10 Save in the case of fraud, wilful misconduct or gross negligence, the Trustee is not liable for any loss of, diminution in value or theft of the Metal Securities and/or the underlying Metal.

9.11 The Trustee may agree to amendments to the Programme Documents to which it is a party if, in its opinion, such amendment is of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme.

9.12 The Trustee may also agree to any other modification, and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of any 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 Securityholders. All other matters affecting the interests of the Securityholders (including any modifications of the Metal Securities) must be sanctioned by an Extraordinary Resolution of the Securityholders, which will be binding on all Securityholders of the relevant Class, including any Securityholders who did not vote in favour of the Extraordinary Resolution.

9.13 A Securityholder might therefore be adversely affected by a decision of the Trustee and/or other Securityholders where it did not consent to or agree with such a decision.

C. Custody Agreements

9.14 The Issuer, the Custodian, the Security Trustee and the Administrator will enter into English law governed custody agreements relating to the Secured Allocated Account(s) and the Secured Unallocated Account(s) (or, if applicable, the Secured Allocated Account (FX Hedge) and the Secured Unallocated Account (FX Hedge)) for each Class.

9.15 In respect of one or more Classes, the Secured Allocated Account (or, if applicable, the Secured Allocated Account (FX Hedge)) will be established pursuant to the

relevant Secured Allocated Custody Agreement. The Secured Unallocated Account (or, if applicable, the Secured Unallocated Account (FX Hedge)) will be established pursuant to the relevant Secured Unallocated Custody Agreement. The Issuer may enter into one Secured Allocated Custody Agreement and one Secured Unallocated Custody Agreement with a Custodian in respect of more than one Class.

Secured Allocated Custody Agreement and the Secured Allocated Account

9.16 The relevant Secured Allocated Custody Agreement sets out the duties of the Custodian in relation to the relevant Class, including (without limitation) the obligation to:

(a) establish and maintain segregated accounts in the name of the Issuer referencing the relevant Class for the deposit of Metal in allocated form to be held for the Issuer and to facilitate certain deposits of Metal into, and withdrawals of Metal out of, such accounts in accordance with the terms of the Custody Agreement;

(b) in relation to each Class for which the Custodian holds Metal in allocated form for the Issuer with a Sub-custodian, establish and maintain a segregated account with such Sub-custodian in the name of the Custodian for the deposit of Metal in allocated form; and

(c) to segregate the Metal transferred to it or keep any Metal deposited pursuant to the relevant Custody Agreement separately identified from that deposited with it in relation to any other Class of Metal Securities;

each such account being part of the Secured Allocated Account.

Secured Unallocated Custody Agreement and the Secured Unallocated Account

9.17 The relevant Secured Unallocated Custody Agreement (as specified in paragraph 9.1 above) sets out the duties of the Custodian in relation to the relevant Class, including (without limitation) the obligation to establish and maintain:

(a) an account in the name of the Issuer referencing the relevant Class for the deposit of Metal in unallocated form and to facilitate certain deposits of Metal into, and withdrawals of Metal out of, such accounts in accordance with the terms of the Custody Agreement; and

(b) in relation to each Class for which the Custodian holds Metal in unallocated form for the Issuer with a Sub-custodian, an account with such Sub-custodian in the name of the Custodian for the deposit of Metal in unallocated form which the Sub-custodian has an obligation to transfer to the Custodian;

each such account being part of the Secured Unallocated Account.

9.18 The terms of the Custody Agreements provide that the Custodian may appoint a Sub-custodian (such Sub-custodian being regulated by the FCA and/or the PRA). The

Sub-custodians may themselves select sub-custodians to provide temporary custody and safekeeping services. The Custodian is required to use reasonable care in the appointment of any Sub-custodian and, when appointing any Sub-custodian, is obliged to request that any such Sub-custodian segregates the Metal in respect of the relevant Class from Metal held in respect of any Class and from Metal the Sub-custodians owns or holds on behalf of other clients.

9.19 In accordance with the terms of the Custody Agreement relating to a Class, to the extent that any Metal held for the Custodian on behalf of the Issuer with a Sub-custodian, this shall in no way limit or relieve the Custodian of its responsibilities or liabilities under such Custody Agreement and the Custodian shall remain fully liable with respect to any Metal as if it had retained possession of it.

9.20 Further information about the Custodian and the storage and insurance of the Secured Metal is set out under the heading "Contract Structure" in **Section 1 – Description of the Programme**.

9.21 In respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities, the Issuer, the Security Trustee, the Administrator and The Royal Mint Limited (as Custodian) have entered into:

(a) the Secured Allocated Gold Custody Agreement dated 31 January 2020, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Allocated Gold Account; and

(b) the Secured Unallocated Gold Custody Agreement dated 31 January 2020, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Unallocated Gold Account

(together the "**Secured Gold Custody Agreements**").

9.22 In respect of (a) The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, (b) The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and (c) The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities, the Security Trustee, the Administrator and The Royal Mint Limited (as Custodian) will enter into:

(a) the Secured Allocated Gold Custody Agreement dated 26 September 2024, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Allocated Gold Account (FX Hedge) in respect of all such Classes; and

(b) the Secured Unallocated Gold Custody Agreement dated 26 September 2024, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Unallocated Gold Account (FX Hedge) in respect of all such Classes

(together the "**Secured Gold Custody Agreements (FX Hedge)**"). The Gold in respect of all Classes of the FX Hedged Gold Securities will be held in the same Secured Accounts (FX Hedge) without separate custody accounts for each Class.

9.23 Pursuant to the terms of the Secured Gold Custody Agreements or Secured Gold Custody Agreements (FX Hedge) (as applicable), the Custodian is under no duty or obligation to provide insurance for the benefit of the Issuer in respect of the Underlying Metal held in the Secured Accounts or Secured Accounts (FX Hedge) (as applicable).

9.24 Instead, the Custodian will make such insurance arrangements for its own benefit in connection with its custodial obligations under the Secured Gold Custody Agreements or Secured Gold Custody Agreements (FX Hedge) (as applicable) as it considers appropriate. The Custodian (and not the Issuer) will be solely responsible for all costs, fees and expenses (including any relevant taxes) in connection with any such insurance policy.

D. Security Deed

9.25 In respect of each Class, the Issuer and the Security Trustee will enter into an English law governed Security Deed, creating Security over all of the Secured Property attributable to the Metal Securities for the benefit of the Security Trustee and the Securityholders and other Secured Parties.

9.26 The Security Deed will set out, among other things, provisions relating to the creation and enforcement of the Security, the appointment of receivers and the rights of the Security Trustee in relation to the Secured Property.

9.27 The Security Deed (by reference to the Trust Deed) also contains provisions relating to the Trustee's application of the net proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement). For further information, please see **Section 11 – Security Arrangements** and Condition 6 (***Security***).

9.28 The Security Trustee may agree to amendments to the Programme Documents to which it is a party if, in its opinion, such amendment is of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme.

9.29 The Security Trustee may also agree to any other modification, and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of any Programme Document to which the Security Trustee is a party that is in the opinion of the Security Trustee not materially prejudicial to the interests of the Securityholders. All other matters affecting the interests of the Securityholders (including any modifications of the Metal Securities) must be sanctioned by an Extraordinary Resolution of the Securityholders, which will be binding on all Securityholders of the relevant Class, including any Securityholders who did not vote in favour of the Extraordinary Resolution.

9.30 A Securityholder might therefore be adversely affected by a decision of the Security Trustee and/or other Securityholders where it did not consent to or agree with such a decision.

E. Authorised Participant Agreements

9.31 The Issuer may enter into English law governed authorised participant agreements with Authorised Participants in relation to each Class of Metal Securities. These agreements will set out the terms on which each Authorised Participant will act as Authorised Participant in relation to a Class of Metal Securities.

9.32 In particular, an Authorised Participant Agreement will specify the terms on which the relevant Authorised Participant may submit Subscription Forms and Redemption Forms and will also set out the terms on which an Authorised Participant may offer, sell or deliver Metal Securities and contains certain representations, warranties and undertakings of the Authorised Participant in relation thereto.

9.33 Each Authorised Participant Agreement will also include indemnities from the relevant Authorised Participant relating to the representations and warranties given by it in such agreement.

9.34 Only an Authorised Participant may submit a Subscription Form and the Issuer will only accept any such Subscription Form if it is made by an Authorised Participant and all conditions to Subscription are satisfied.

F. Metal Agent Agreement

9.35 The Issuer, the Security Trustee and a Metal Agent will enter into one or more English law governed Metal Agent Agreements (as specified in paragraph 9.1 above) in relation to the relevant Class of Metal Securities. As at the Prospectus Date, the Metal Agent in respect of each of (a) The Royal Mint Responsibly Sourced Physical Gold ETC Securities, (b) The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, (c) The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and (d) The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities is The Royal Mint Limited.

9.36 Pursuant to the terms of a Metal Agent Agreement, the Metal Agent will, on notice from the Issuer or the Security Trustee on enforcement of the Security, sell Metal on the Metal Sale Date in a timely fashion in order to give effect to a Redemption by way of Metal Sale.

9.37 The Metal sold by the Metal Agent will be an amount of Metal forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities being Redeemed.

9.38 In selling the Metal, the Metal Agent is authorised under the Metal Agent Agreement to:

(a) take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the Metal Sale Date and may do so in one or more transactions; and

(b) deduct from the actual sale proceeds (i) any Taxes arising from or connected with any such sale of Metal, (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions; and (iii) any Over-allocated Metal Cash Proceeds (which are for the account of the Custodian).

9.39 The Metal Agent will then transfer the actual sale proceeds of such Metal Sale to the Issuer Redemption Cash Account for remittance to the relevant Securityholder (less any applicable fees).

9.40 Additionally, any accrued Metal representing the reduction in the Metal Entitlement per Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account to the Metal Agent in accordance with the relevant Custody Agreement and in certain circumstances will be sold, and its proceeds paid to the order of the Issuer, in accordance with the Metal Agent Agreement.

G. Administration Agreement

9.41 The Issuer has entered into an Irish law governed Administration Agreement with the Administrator relating to the provision of administration services in respect of the Programme and the Metal Securities.

9.42 The Administration Agreement sets out the duties and obligations of the Administrator in relation to the Metal Securities and the basis for its remuneration, liability and indemnification. It also sets out the standard of service expected of the Administrator, the procedure for the remediation of any breaches and the compensation payable by the Administrator in respect of such breaches.

9.43 Services provided by the Administrator under the terms of the Administration Agreement include:

(a) transaction processing services (including account opening, customer due diligence and the processing of Subscriptions); and

(b) valuation services (including calculation of the Metal Entitlement per Security and the reduction of the Metal Entitlement each day by the deduction of the Total Expense Ratio).

9.44 Under the Administration Agreement, the Administrator is required to provide its services with reasonable skill, care and diligence.

9.45 The Administrator will be liable for any losses suffered by the Issuer to the extent arising from the negligence, wilful default, bad faith or fraud on the part of the Administrator or any of its officers, employees, agents or delegates. Under the terms of the Administration Agreement, the Issuer indemnifies the Administrator against, and holds it harmless from all liabilities, damages, costs, claims, and expenses (including and without limitation reasonable and properly vouched legal expenses)

incurred by the Administrator in the performance of any of its obligations or duties under the Administration Agreement.

9.46 Each of the Issuer and the Administrator may terminate the Administration Agreement on 90 days' prior written notice.

9.47 On the termination of the Administration Agreement for any reason, the Administrator will cooperate with the Issuer and any replacement service provider, acting in good faith, and provide such reasonable assistance and information as may be necessary or appropriate in order to facilitate and implement an orderly transition of the administration services.

H. Management and Determination Agent Agreement

9.48 The Management and Determination Agent Agreement between the Issuer and HANetf sets out terms on which HANetf undertakes to provide certain management and calculation services to the Issuer in connection with the Metal Securities, including payment of the Management Fee.

9.49 These services include:

(a) such services as are required by the Issuer and requested of and accepted by HANetf from time to time in connection with the Programme;

(b) in connection with the issue of the Metal Securities, advising on the structural features of such Metal Securities, including advising on the structure, drafting and content of any Programme Documents, related service agreements, and any other arrangements in connection with the operation and establishment of the Programme and the issue of Metal Securities under such Programme;

(c) liaising with and coordinating, as appropriate, with any service provider to the Issuer in respect of the issue Metal Securities from time to time including but not limited to professional such as legal advisors and accountants;

(d) recommending potential Custodians, Authorised Participants and Metal Agents to the Issuer and arranging for such counterparties to enter into transactions with the Issuer including negotiation of the terms of such transactions;

(e) assisting the Issuer in applying for and attaining any requisite approvals, consents and authorisations required in relation to marketing, offering, selling and trading the Metal Securities, including assisting the Issuer in applying for approval of this Prospectus from the Central Bank of Ireland; passporting the approved Prospectus to other EEA competent authorities (including the UK Financial Conduct Authority); and listing the Metal Securities;

(f) maintenance of the relevant product pages at www.hanetf.com for any Metal Securities issued, as well as the issue of investor communications for any Metal Securities issued; and

(g) the making of certain calculations and determinations in relation to the Metal Securities and the giving of such notices of the outcome thereunder as expressly required to be performed under the Programme including;

(i) calculation of any amount, price, rate or value required to be calculated by the Determination Agent under the Programme;

(ii) determination of a Disruption Event in accordance with the terms of the Programme, without any obligation to monitor whether or not a Disruption Event has occurred; and

(iii) notification of the end of a Suspension Period as required under the Programme.

9.50 The Issuer acknowledges that HANetf is not authorised by the Central Bank in connection with its provision of the services pursuant to the Management and Determination Agent Agreement and the Issuer will not require HANetf to provide, and HANetf shall not provide or agree to provide to the Issuer, any services which would require it to be so authorised unless and until such authorisation has been obtained.

I. Issuing and Paying Agent Agreement

9.51 The Issuing and Paying Agent Agreement between, amongst others, the Issuer, the Issuing and Paying Agent and HANetf Limited sets out terms on which the Issuing and Paying Agent is appointed for the Programme and the duties and obligations of the Issuing and Paying Agent.

9.52 These duties include: (i) acting as the paying agent of the Issuer with respect to such payments on Redemption or any other payments in respect of the Metal Securities notified to the Issuer; (ii) maintaining independent records of securities; (iii) communicating information to the relevant International Central Securities Depositary; (iv) issuing and authenticating new securities for transfer of securities as a result of a subscription; and (v) maintaining ownership record for registered notes.

9.53 The Issuing and Paying Agent Agreement provides that payment in respect of the Metal Securities will be made through the relevant International Central Securities Depositary in accordance with the standard practices of the applicable International Central Securities Depositary, and in connection therewith, additional paying agents may be appointed in the relevant jurisdiction.

9.54 The Issuer, or HANetf acting on behalf of the Issuer, shall provide the issuing and Paying Agent with all information in relation to the Metal Securities that is required for the Issuing and Paying Agent to perform its duties, including providing payment instructions.

9.55 The Issuing and Paying Agent Agreement can be terminated by any party upon not less than 60 days' written notice.

9.56 At the date of this Prospectus, The Bank of New York Mellon, London Branch has been appointed as the Issuing and Paying Agent.

J. Account Bank Agreement

9.57 In addition to the Programme Documents, the Issuer also entered into an Account Bank Agreement with the Account Bank on 5 October 2021.

9.58 Under and in accordance with the terms of the Account Bank Agreement, the Account Bank has opened and will maintain accounts for the Issuer for the purpose of receiving proceeds from a Metal Sale in the event of an Optional Redemption or Compulsory Redemption by way of Metal Sale. Such accounts constitute Secured Property under the Security Deed.

9.59 The Account Bank Agreement can be terminated by any party upon not less than 30 days' written notice.

9.60 At the date of this Prospectus, The Bank of New York Mellon, London Branch has been appointed as Account Bank. The Bank of New York Mellon, a wholly owned subsidiary of The Bank of New York Mellon Corporation, is incorporated, with limited liability by Charter, under the laws of the State of New York by Special Act of the New York State Legislature, Chapter 616 of the Laws of 1871, with its Head Office situated at 240 Greenwich Street, New York, New York 10286, USA. The Bank of New York Mellon, London Branch is registered in England & Wales with FC No 005522 and BR No 025038 with its principal office in the United Kingdom situated at 160 Queen Victoria Street, London, EC4V 4LA, United Kingdom. The Bank of New York Mellon is supervised and regulated by the New York State Department of Financial Services and the Federal Reserve and authorised by the Prudential Regulation Authority. The Bank of New York Mellon, London Branch is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority.

K. FX Hedge Agreements

9.61 The Issuer and HSBC Bank plc (as FX Hedge Counterparty) will enter into the English law governed FX Hedge Agreements which comprise (a) the FX Overlay Agreement and (b) in respect of each Class of the FX Hedged Gold Securities, the relevant ISDA Master Agreement. The Issuer and the FX Hedge Counterparty will enter into a separate ISDA Master Agreement in respect of each Class of the FX Hedged Gold Securities, which will only govern the terms of the transactions hedging the foreign exchange fluctuations and be linked to the occurrence of events (including any Compulsory Redemption Events) relating to such Class. The FX Hedge Agreements provide for the entry into FX Hedge transactions and the deliveries of Metal in unallocated form from the Issuer to the FX Hedge Counterparty and *vice versa*.

9.62 In relation to the FX Hedged Gold Securities, the net gains or losses from the FX Hedge (including the FX Hedge Expense) in respect of all Classes of the FX Hedged Gold Securities will be calculated and settled through the delivery of Gold on a net basis daily under the FX Hedge Agreements. Where there are net gains on the FX Hedge (including the FX Hedge Expense) in respect of all Classes of the FX Hedged

Gold Securities on that day, the FX Hedge Counterparty will deliver Gold to the Issuer equivalent to such gains under the FX Hedge Agreements. Where there are net losses on the FX Hedge (including the FX Hedge Expense) in respect of all Classes of the FX Hedged Gold Securities on that day, the Issuer will be required to deliver Gold equivalent to such losses to the FX Hedge Counterparty under the FX Hedge Agreements. All such payments will be in the form of Gold in unallocated form and will take place on a daily basis. Such netting arrangement will however cease to include transactions relating to any Class of the FX Hedged Gold Securities where the Issuer is in default under the relevant ISDA Master Agreement or a Compulsory Redemption Event has occurred in respect of such Class.

9.63 Unless otherwise agreed between the Issuer and the FX Hedge Counterparty:

(a) the Issuer may terminate the FX Overlay Agreement at any time by giving notice to the FX Hedge Counterparty;

(b) subject to paragraph (c) below, the FX Hedge Counterparty may terminate the FX Overlay Agreement by giving 6 months' notice to the Issuer;

(c) the FX Overlay Agreement may be terminated by the FX Hedge Counterparty immediately by notice to the Issuer in certain circumstances, including (i) where the Issuer fails to make payments, breaches its obligations, makes incorrect or misleading representations or enters into insolvency, or (ii) an Event of Default or Termination Event (as each such term is defined in the relevant ISDA Master Agreement) occurs and is continuing; and

(d) the FX Overlay Agreement may be terminated by the FX Hedge Counterparty immediately by notice to the Issuer if the Issuer is subject to a change of control and such event (a) is likely to impact on any know your client or anti-money laundering rules that the FX Hedge Counterparty is subject to under applicable law or (b) results in the creditworthiness of the resulting surviving or transferee entity being materially weaker.

9.64 The ISDA Master Agreement provides for certain "Events of Default" (as defined in the ISDA Master Agreement) relating to the Issuer and the FX Hedge Counterparty, including failure by either party to make, when due, any payment or delivery required to be made by it, if not remedied within the applicable grace period. Upon the occurrence of an Event of Default under the ISDA Master Agreement, the non-defaulting party may give a notice of termination designating an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding FX Hedge transactions in respect of the relevant Class of FX Hedged Metal Securities.

SECTION 10 – DETERMINING THE VALUE OF AN INVESTMENT IN METAL SECURITIES

A. Rights of Securityholders

10.1 Each Metal Security benefits from equal rights and payment and equal security, without any preference amongst themselves.

10.2 Each Metal Security has a face value known as the "**Principal Amount**". A Securityholder may elect to receive an amount in cash equal to the Principal Amount instead of the amount otherwise specified on a Redemption, as detailed in Condition 4 (***Constitution and Status***). The Principal Amount in respect of a Class of Metal Securities will be set out in the Final Terms. For the purposes of the EU Prospectus Regulation and the PRM, the Principal Amount of each Metal Security of a Class shall be regarded as the minimum Denomination of such Metal Security.

B. Entitlement on Redemption

10.3 Each Class has a separate Metal Entitlement per Security. As at the relevant Issue Date, the Metal Entitlement per Security in respect of the Initial Tranche of each of the following issued Classes of Metal Securities is set out in the table below:

	Class	Type of Metal Securities	Metal Entitlement per Security
(a)	The Royal Mint Responsibly Sourced Physical Gold ETC Securities	FX Unhedged Gold Securities	0.01 fine troy ounce of Gold
(b)	The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold
(c)	The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold
(d)	The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities	FX Hedged Gold Securities	0.01 fine troy ounce of Gold

The Issue Date of the Initial Tranche of The Royal Mint Responsibly Sourced Physical Gold ETC Securities was 14 February 2020. In respect of each Class of Metal Securities, the Issuer will publish on the Issuer's Website the Metal Entitlement per Security on each calendar day up to and including the relevant Compulsory Redemption Date in respect of all Outstanding Metal Securities of such Class.

10.4 Each Metal Security carries a right on Redemption to receipt of the Metal Entitlement per Security.

10.5 The value of a Securityholder's investment is equivalent to the amount in troy ounces (or fine troy ounces in the case of The Royal Mint Responsibly Sourced Physical Gold ETC Securities) of Metal that they would receive upon a Redemption (i.e. the applicable Metal Entitlement). This is calculated by multiplying the Metal Entitlement per Security by the number of Metal Securities to be redeemed (less applicable fees).

C. Calculation of the Metal Entitlement per Security – FX Unhedged Metal Securities

10.6 In respect of a Class of FX Unhedged Metal Securities, the Metal Entitlement per Security on a calendar day is calculated by the Determination Agent as follows:

$$ME_{(i,t)} = ME_{(i,t-1)} \times (1 - TER_{(i,t)})^{1/N}$$

Where:

"i" means to the relevant class of Metal Security;

"t" means the applicable day (with t-1 being the previous day);

"ME_t" means the Metal Entitlement per Security in respect of the relevant calendar day;

"ME_{t-1}" means the Metal Entitlement per Security in respect of the immediately preceding calendar day;

"TER_t" means the Total Expense Ratio as of the relevant calendar day, expressed as a decimal; and

"N" means 365 (or 366 when the relevant calendar day is in a leap year).

10.7 The resultant figure is calculated to nine decimal places with 0.0000000005 fine troy ounces (in case of gold) rounded upwards, and subject to a floor of zero.

D. Calculation of the Metal Entitlement per Security – FX Hedged Metal Securities

10.8 In respect of a Class of FX Hedged Metal Securities, the Metal Entitlement per Security on a calendar day is calculated by the Determination Agent as follows:

$$ME_{(t)} = [\, ME_{(t-1)} \times (1 - TER_{(t)})^{n/N} \,] + (\, FX_PnL_{(t)} / P_{(t_PM)} \,)$$

where:

"t" means the Scheduled Valuation Day (with t-1 being the immediately preceding Scheduled Valuation Day);

"$ME_{(t)}$" means the Metal Entitlement per Security in respect of the Scheduled Valuation Day;

"$ME_{(t-1)}$" means the Metal Entitlement per Security in respect of the immediately preceding Scheduled Valuation Day;

"$TER_{(t)}$" means the Total Expense Ratio as of the Scheduled Valuation Day, expressed as a decimal;

"$P_{(t_PM)}$" means the Metal Reference Price at the Metal Price Fixing Time PM on the relevant Scheduled Valuation Day, adjusted (if applicable) for the Gold Dealing Charge;

"N" means 365 (or 366 when the relevant calendar day is in a leap year); and

"n" means the number of calendar days between (and excluding) the current Scheduled Valuation Day and (including) the immediately preceding Scheduled Valuation Day.

The FX profit or loss per security is defined in the Metal Currency such that:

$$FX_PnL_{(t)} = [\ FX_Notional_{(t-1)} / SO_{(t-1)} \times (\ S_{(t_FHT)} / F_{(t-1_FHT)} - 1\ )\ ] * F_{(t-1_FHT)}$$

where:

"$SO_{(t-1)}$" means securities outstanding and net validated orders (Total Number of Securities for which Subscription Orders have been validated and accepted less Total Number of Securities for which Redemption Orders have been validated and accepted) in respect of the immediately preceding Scheduled Valuation Day;

"$S_{(t_FHT)}$" means the FX Spot Reference Level observed at the FX Hedge Time in respect of the relevant Scheduled Valuation Day; and

"$F_{(t-1_FHT)}$" means the applicable FX Forward Reference Level determined at the FX Hedge Time in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day.

The FX Notional is calculated in the Relevant Currency as follows:

$$FX_Notional_{(t)} = SO_{(t)} \times ME_{(t-1)} \times (1 - TER_{(t-1)})^{n/N} \times P_{(t_AM)} / S_{(t_FNCT)}$$

where:

"$P_{(t_AM)}$" means the Metal Reference Price at the Metal Price Fixing Time AM in respect of the Scheduled Valuation Day; and

"$S_{(t_FNCT)}$" means the FX Spot Reference Level observed at the FX Notional Calculation Time in respect of the relevant Scheduled Valuation Day.

FX Hedge in relation to the FX Hedged Metal Securities

10.9 In respect of FX Hedged Metal Securities, the Metal Entitlement per Security includes an FX Hedge component to convert the value of the Metal (denominated in the Metal Currency) into the Relevant Currency.

10.10 The calculation of the Metal Entitlement per Security of FX Hedged Metal Securities includes the effect of a rolling FX Hedge entered into on each Scheduled Valuation Day. In respect of FX Hedged Metal Securities, the FX Hedge involves the entry into

the FX Forward Sale and the FX Forward Purchase between the Issuer and FX Hedge Counterparty under the FX Hedge Agreements.

10.11 The FX Hedge component is designed to mitigate any impact of changes in foreign exchange rates between the Metal Currency and the Relevant Currency on the value of the FX Hedged Metal Securities.

Determination of the Metal Entitlement per Security

10.12 Calculation of the Metal Entitlement and value of the FX Hedged Metal Securities on a daily basis reflects (1) the profit or loss originating from the FX Hedge position and (2) the deduction of any Product Fees.

Step 1: Entering the FX Hedge

On day 1, this step is based on the assumption that:

Initial Metal Entitlement per Security:	0.01 fine troy ounce
Metal Reference Price at the Metal Price Fixing Time PM:	USD 2,309.05
FX Spot Reference Level Mid:	EUR 1 to USD 1.0748

The initial value per FX Hedged Metal Security is calculated as:

Initial Metal Entitlement x Metal Reference Price / FX Spot Reference Level = EUR 21.48.

The Issuer also enters into the following FX Hedge for the FX Hedged Metal Securities:

(a) an FX Forward Sale under which the Issuer agrees to sell USD on the following day in an amount equal to the USD value of the initial value per FX Hedged Metal Security on day 1; and

(b) an FX Forward Purchase under which the Issuer agrees to purchase EUR on the following day. The amount of Euro per FX Hedged Metal Security under the FX Forward Purchase matches the value of the FX Hedged Metal Security (i.e. EUR 21.48).

The FX Forward Reference Level for the FX Hedge is EURUSD 1.07494 (being the sum of the FX Spot Reference bid level and the FX Forward Adjustment).

The resulting FX Forward Sale of USD is calculated as EUR 21.48 / FX Forward Reference Level = USD 23.09.

On the following Scheduled Valuation Day, the Determination Agent determines the Metal Entitlement per Security and the value of the FX Hedged Metal Security as follows:

Step 2: Calculate the FX Hedge profit or loss

This profit or loss reflects movements of the foreign exchange rates between the Metal Currency (USD) and Relevant Currency (EUR) since the daily FX Hedge was established. The profit and loss of such FX Hedge is then reflected into the Metal Entitlement per Security.

To determine the profit or loss of the FX Hedge, the FX Hedge Counterparty assesses the change between the foreign exchange rate applied to the opening of the FX Hedge on day 1 (known as the FX Forward Reference Level), and the closing of the FX Hedge based on the foreign exchange rates on the following day (known as FX Spot Reference Level).

On day 1, the Issuer bought EUR 21.48 (for delivery on the following day) for USD 23.09 (again, for delivery on the following day). On the following day, based on the actual foreign exchange rates for sales on that date, a person would actually have been able to buy EUR 21.48 for USD 23.11 (i.e. the person would have to pay USD 0.02 more to purchase the equivalent EUR amount). In this instance, the Issuer would have benefitted from entering into an FX Hedge, making a profit of USD 0.02. This profit is converted into gold at the Metal Reference Price at the Metal Price Fixing Time PM on the following day (USD 2,325.70), buying 0.000007944 fine troy ounces of gold.

Step 3: Adjust the Metal Entitlement for Product Fees and FX Hedge Profit or Loss

The daily accrual of TER (of 0.35% p.a.) in the Metal Entitlement results in a metal reduction of ME x (1 – 0.0035)^(1/365) = 0.000000096.

On the following day, the Metal Entitlement per Security is then 0.010007848, representing the sum of the initial metal entitlement (0.01) and the resulting metal move from the FX Hedge (Step 2) and the accrual of the TER.

Step 4: Determination of Value per FX Hedged Metal Security

The value of the FX Hedged Metal Security equates the product of (1) the Metal Entitlement per Security, (2) the Metal Reference Price for that day, and (3) the actual FX Spot Reference Rate. The following values are recorded on the following day:

Metal Entitlement per Security:	0.010007848 fine troy ounce
Metal Reference Price:	USD 2,325.70
FX Spot Reference Level Mid:	EUR 1 to USD 1.0758

Such values result in a value per FX Hedged Metal Security of EUR 21.64.

A. Deduction of the Total Expense Ratio

10.13 The Metal Entitlement per Security is reduced each day from the first day of listing and trading On-Exchange by the Total Expense Ratio in respect of the relevant Class.

10.14 The "**Total Expense Ratio**" in respect of each Class is an "all-in" operational fee calculated at the rate per annum specified as such in the Final Terms in respect of

each Class of Metal Securities. The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of Metal Securities for that Class.

10.15 As at the Prospectus Date, the Total Expense Ratio in respect of the following issued Classes of Metal Securities is set out in the table below:

	Class	**Total Expense Ratio**
(a)	The Royal Mint Responsibly Sourced Physical Gold ETC Securities	0.25 per cent. of one-hundredth of one fine troy ounce of the underlying Metal
(b)	The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities	0.35 per cent. of one-hundredth of one fine troy ounce of the underlying Metal
(c)	The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities	0.35 per cent. of one-hundredth of one fine troy ounce of the underlying Metal
(d)	The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities	0.35 per cent. of one-hundredth of one fine troy ounce of the underlying Metal

10.16 The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security.

10.17 The Total Expense Ratio in respect of each month is calculated as the reduction of the Metal Entitlement per Security applied to the outstanding Metal Securities on each day during that month. This Metal is aggregated and withdrawn from the Secured Accounts to the Metal Agent in accordance with the relevant Custody Agreement and will be sold, and its proceeds paid to the order of the Issuer in accordance with the Metal Agent Agreement. The proceeds will be used to satisfy certain applicable fees related to the Programme, including the Management Fee due to HANetf under the Management and Determination Agent Agreement.

10.18 The rate of the Total Expense Ratio in respect of any Class or Classes of Individual Security may be varied by the Issuer from time to time. If the Total Expense Ratio is amended, such amendment will be notified through a RIS, and in the case of an increase will not take effect for at least 30 days following the publication of such notification in accordance with Condition 17 (***Notices***). An increase in the Total Expense Ratio in respect of a Class will reduce the Metal Entitlement in respect of that Class by more than would have been the case (and at a faster rate) than if the Total Expense Ratio had remained the same.

10.19 Assuming that the Metal Entitlement per Security to gold on the last day on which it was calculated was 0.009960940 of one fine troy ounce of gold and a TER of 0.25% p.a., the Metal Entitlement per Security to gold would be calculated as follows:

$$ME(i,t) = 0.009960940 \times ((1-0.0025)(1/365))$$

10.20 After a holding period of one day the Metal Entitlement per Security would therefore be 0.009960872.

10.21 For more information as to how the Total Expense Ratio is applied, please refer to Condition 5 (***Metal Entitlement per Security***).

B. Cash value of Metal Securities

10.22 As set out above, the Metal Securities are issued and redeemed by the Issuer at the prevailing Metal Entitlement per Security. However, it is also possible to calculate what the cash value of a Metal Security in the Relevant Currency such as The Royal Mint Responsibly Sourced Physical Gold ETC Securities was in US dollars on a given day. This is calculated by (i) taking the spot price for gold on that day and (ii) multiplying that spot price by the Metal Entitlement per Security. This converts the Metal Entitlement per Security into a price in US dollars.

10.23 For example, if on day X, the spot price of gold was USD 1,800/oz and the Metal Entitlement per Security to gold was 0.009960940 fine troy ounces, then the cash value per Metal Security is calculated as follows:

$$\text{USD } 1{,}800 \times 0.009960940 = \text{USD } 17.93.$$

10.24 To calculate the cash value of a Metal Security in another currency, the USD cash value per Metal Security is divided by the relevant exchange rate. For example, if the USD cash value per Metal Security is USD 17.93 and the GBP/USD exchange rate is 1.30, then the GBP value per Metal Security will be £13.7923.

10.25 If a Securityholder determines the cash value of a Metal Security in a currency other than the Relevant Currency, then the Securityholder will be exposed to movements in the exchange rate between the Relevant Currency and the currency in which the Securityholder determines the cash value of the Metal Security.

10.26 The value of Gold Securities On-Exchange should generally track the USD gold price (excluding fees and costs).

10.27 The Metal Securities do not bear interest.

C. Redemption Fee

10.28 With the exception of an Optional Redemption of Metal Securities by a Non-AP Securityholder (in which case the Non-AP Securityholder must pay the Redemption Fee prior to the Trade Date in accordance with Condition 7.4 (***Redemption Forms***)), it is a condition that the Issuer, in performance of its obligation to Redeem Metal Securities, may deduct the Redemption Fee from the Actual Redemption Sale

Proceeds or other amount due to the Securityholder on Redemption. The calculation of the Redemption Fee is dependent on the type of Securityholder that is redeeming and/or the type of Redemption.

10.29 On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee will be the amount specified in the Operating Procedures (as specified in the relevant Authorised Participant Agreement).

10.30 On a Compulsory Redemption for Cause in accordance with Condition 8.4 (***Compulsory Redemption for Cause***), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Compulsory Redemption. The Redemption Fee will be notified to the relevant Securityholder(s) at the time of the Compulsory Redemption, and shall not be greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (***Notices***).

10.31 On an Optional Redemption of Metal Securities by a Non-AP Securityholder, the Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the cost to the Issuer of complying with the Redemption Form. The Redemption Fee will be notified to the relevant Securityholder(s) at the time of the Redemption, and shall not be greater than €600 or such other amount as may be notified in accordance with Condition 17 (***Notices***).

10.32 Subject to the below in respect of a Metal Sale, any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption.

10.33 On a Metal Sale, the Issuer may set-off the amount of the Redemption Fee payable under Condition 7.5 (***Redemption Fee***) against the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption. If Issuer fails to do so, the Securityholder shall pay the Redemption Fee in cash in accordance with Condition 7.5 (***Redemption Fee***).

D. Metal Agent Deductions

10.34 On a Metal Sale, the Metal Agent is permitted to deduct the following from the Actual Redemption Sale Proceeds:

(a) taxes arising from or in connection with the sale of the relevant Metal;

(b) any other amounts properly incurred by it in connection with such sale; and

(c) the Over-allocated Metal Cash Proceeds (if any);

(and in accordance with the terms of the Metal Agent Agreement will not be liable to account for anything except the actual proceeds of any such sale received by it after such deduction).

E. How is the value of a Metal Security affected by a change in the value of the underlying Metal

10.35 The following examples illustrate some possible outcomes of an investment in Metal Securities under normal market conditions. These examples are not indicators of the actual future performance of the Metal Securities, the figures used, including the gold price are for illustration purposes and do not represent the actual gold price. Investor X invests in one Royal Mint Responsibly Sourced Physical Gold ETC Security for one full calendar year under the following conditions:

	Start	After 365 Days		
		10% Increase in Gold Price	10% Decrease in Gold Price	No Change in Gold Price
Gold Price (per ounce)	$1,500	$1,650	$1,350	$1,500
Metal Entitlement per Security	0.009939284	0.009914436	0.009914436	0.009914436
Value of Metal Security	$14.91	$16.36	$13.38	$14.87
TER Metal Deducted	$0.04	$0.04	$0.03	$0.04
Total Gain/Loss	$0.00	$1.45	$-1.52	$ -0.04
Total Return		9.73%	-10.22%	-0.25%

F. How is the value of an FX Hedged Metal Security affected by a change in the exchange rate

10.36 The following examples illustrate some possible outcomes of an investment in FX Hedged Metal Securities under normal market conditions. These examples are not indicators of the actual future performance of the FX Hedged Metal Securities, the figures used, including the gold price are for illustration purposes and do not represent the actual gold price.

Scenario 1: Impact of changes in Metal Reference Prices

The table below illustrates the effect of rising and falling Gold prices while FX markets remain steady.

	Wednesday	Thursday	Friday	Monday	Tuesday
Metal Reference Price at the Metal Price Fixing Time PM	2,000.00	2,100.00	2,200.00	2,100.00	2,000.00
- Change in %	0.00%	5.00%	4.76%	-4.55%	-4.76%
Change in Metal Entitlement due to FX PnL (incl. FX Forward	0.000000000	-0.000001212	-0.000000432	-0.000001230	-0.000000498

Adjustment and FX Hedge Expense)					
Change in Metal Entitlement due to TER	0.000000000	0.000000096	0.000000096	0.000000288	0.000000096
Metal Entitlement (ME)	0.010000000	0.009998692	0.009998164	0.009996646	0.009996052
Value of ME per security in USD	20.00	21.00	22.00	20.99	19.99
- Change in %	0.00%	5.00%	4.76%	-4.59%	-4.76%
FX Spot Reference	1.10	1.10	1.10	1.10	1.10
- Change in %	0.00%	0.00%	0.00%	0.00%	0.00%
Value per security in Relevant Currency	18.18	19.09	20.00	19.08	18.17
- Change in %	0.00%	5.00%	4.76%	-4.59%	-4.76%

Scenario 2: Impact of changes in FX levels

Conversely, below shows an alternative illustration where Gold prices remains stable while FX levels rise and fall.

	Wednesday	Thursday	Friday	Monday	Tuesday
Metal Reference Price at the Metal Price Fixing Time PM	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
- Change in %	0.00%	0.00%	0.00%	0.00%	0.00%
Change in Metal Entitlement due to FX PnL (incl. FX Forward Adjustment and FX Hedge Expense)	0.000000000	0.000453227	0.000434282	-0.000436680	-0.000473897
Change in Metal Entitlement due to TER	0.000000000	0.000000096	0.000000100	0.000000314	0.000000100
Metal Entitlement (ME)	0.010000000	0.010453131	0.010887313	0.010450319	0.009976321

Value of ME per security in USD	20.00	20.91	21.77	20.90	19.95
- Change in %	0.00%	4.55%	4.11%	-4.00%	-4.55%
FX Spot Reference	1.10	1.15	1.20	1.15	1.10
- Change in %	0.00%	4.55%	4.35%	-4.17%	-4.35%
Value per security in Relevant Currency	18.18	18.18	18.14	18.17	18.14
- Change in %	0.00%	0.00%	-0.23%	0.18%	-0.21%

Scenario 3: Changes in Metal Reference Prices and FX levels

The third scenario demonstrates the effect both markets fluctuating on the value of the FX Hedged Gold Securities.

	Wednesday	**Thursday**	**Friday**	**Monday**	**Tuesday**
Metal Reference Price at the Metal Price Fixing Time PM	2,000.00	2,100.00	2,200.00	2,100.00	2,000.00
- Change in %	0.00%	5.00%	4.76%	-4.55%	-4.76%
Change in Metal Entitlement due to FX PnL (incl. FX Forward Adjustment and FX Hedge Expense)	0.000000000	0.000431647	0.000414597	-0.000456570	-0.000495663
Change in Metal Entitlement due to TER	0.000000000	0.000000096	0.000000100	0.000000313	0.000000100
Metal Entitlement (ME)	0.010000000	0.010431551	0.010846048	0.010389165	0.009893402
Value of ME per security in USD	20.00	21.91	23.86	21.82	19.79
- Change in %	0.00%	9.55%	8.90%	-8.55%	-9.30%
FX Spot Reference	1.10	1.15	1.20	1.15	1.10
- Change in %	0.00%	4.55%	4.35%	-4.17%	-4.35%

Value per security in Relevant Currency	18.18	19.05	19.88	18.97	17.99
- Change in %	0.00%	4.79%	4.36%	-4.57%	-5.18%

SECTION 11 – SECURITY ARRANGEMENTS

A. Qualifications

11.1 The following description of the security arrangements relating to the Programme consists of a summary of certain provisions of the Security Deed and Security Documents relating to the Metal Securities, and is qualified in its entirety by reference to the detailed provisions of those agreements.

11.2 The following summary does not purport to be complete, and prospective investors in Metal Securities must refer to the Security Deed and the Security Documents and the detailed information contained in such documents.

B. Security

11.3 The Issuer's obligations in respect of a Class of Metal Securities are secured by the Security created by the Security Deed. The Security created by the Security Deed in respect of the Metal Securities is granted to the Security Trustee as continuing security for the payment of the relevant Secured Liabilities (as such term is described in the Security Deed).

11.4 Pursuant to the Security Deed, the obligations of the Issuer relating to each Class of Metal Securities shall be secured in favour of the Security Trustee acting for and on behalf of the Securityholders and the other Secured Parties, 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 Secured Accounts (for a Class of FX Hedged Gold Securities, the amount of Gold in respect of such Class held in the Secured Accounts (FX Hedge)), the Custody Agreements, the Metal Agent Agreement, the Administration Agreement, (for a Class of FX Hedged Gold Securities) the FX Hedge Agreements and the Issuer Bank Account (the "**Agreements and the Accounts**") (such assignment being the "**Security Assignment**");

(b) (to the extent not validly and effectively assigned pursuant to the Security Assignment) first fixed charge for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Agreements and the Accounts, such charge to take effect by way of first fixed security (the "**Fixed Charge**"); and

(c) (to the extent not validly and effectively assigned pursuant to the Security Assignment or charged by way of the Fixed Charge) first floating charge to the Security Trustee for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Agreements and the Accounts, such charge to take effect by way of first floating security.

C. Enforcement of Security

11.5 The Security constituted by a Security Deed shall become enforceable upon the occurrence of an Event of Default (such events being set out in Condition 8.3 (***Events of Default***)).

11.6 At any time after the Security constituted by a Security Document has become enforceable, the Security Trustee:

(a) may at its discretion; and

(b) shall, if so directed by the Trustee following the occurrence of at least one of the following events:

(i) a direction in writing to the Trustee by the holders of at least one-fifth in number of the Metal Securities of the relevant Class; or

(ii) by an Extraordinary Resolution of the Securityholders of the relevant Class; or

(in each such case subject to it having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions);

enforce the Security constituted by such Security Document.

11.7 To enforce the Security, the Security Trustee may, at its discretion:

(a) enforce any relevant Programme Document relating to the Metal Securities of such Class in accordance with its or their terms; and/or

(b) take action against the Issuer; and/or

(c) take possession of and/or realise all or part of the Secured Property; and/or

(d) sell, call in, collect and convert into money all or part of such Secured Property,

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 Securityholders.

11.8 When exercising its right in this regard, the Security Trustee will have regard to the interests of the relevant Securityholders as a whole and will not have regard to the consequences of such exercise for individual Securityholders, which may have an adverse impact on certain Securityholders more than others.

11.9 Under the terms of the Trust Deed, the Trustee will apply any amounts received or recovered from such enforcement action of the Security Trustee and the proceeds derived from the realisation of the assets that are the subject of the Security

constituted by the relevant Security Documents in the applicable order of priority set out in Condition 6.3 (***Application of Proceeds of Enforcement of Security***) or, in the case of FX Hedged Metal Securities, Additional Condition 3.2 (*Application of Proceeds of Enforcement of Security*) of the FX Hedge Additional Conditions (as replicated below).

11.10 Under the terms of the Trust Deed, 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 accordance with the following priority waterfall:

(a) With respect to a Class of FX Unhedged Metal Securities, as set out in Condition 6.3 (***Application of Proceeds of Enforcement of Security***), in accordance with which all monies received or recovered by the Trustee under the applicable Trust Deed and the proceeds derived from the realisation of the assets by the Security Trustee that are the subject of the Security constituted by the relevant Security Documents, in each case in relation to the Metal Securities of the relevant Class, will be applied as follows:

(i) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(ii) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the 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);

(iii) third, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(iv) fourth, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and

(v) fifth, in payment of any balance to the Issuer for itself; or

(b) With respect to a Class of Hedged Metal Securities, as set out in FX Hedge Additional Condition 3.2 (***Application of Proceeds of Enforcement of Security***), in accordance with which all monies received or recovered by the Trustee under the applicable Trust Deed and the proceeds derived from the

realisation of the assets by the Security Trustee that are the subject of the Security constituted by the relevant Security Documents, in each case in relation to the Metal Securities of the relevant Class, will be applied as follows:

(i) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(ii) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the 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);

(iii) third, in payment of any amounts owing to the FX Hedge Counterparty under the FX Hedge Agreements;

(iv) fourth, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(v) fifth, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and

(vi) sixth, in payment of any balance to the Issuer for itself.

SECTION 12 – WHAT IS THE PURPOSE OF THE FINAL TERMS?

12.1 In this section the expression "**necessary information**" means, in relation to any Tranche of Metal Securities of any Class, 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 Metal Securities.

12.2 In relation to any Metal Securities which may be issued under the Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to such Metal Securities which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Metal Securities.

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

12.4 In respect of each Tranche of Metal Securities, the related Final Terms must, for the purposes of that Tranche only, be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Metal Securities are the Conditions, as completed by the related Final Terms.

SECTION 13 – TERMS AND CONDITIONS OF METAL SECURITIES

*The following is the text of the terms and conditions (the "**General Conditions**") which, subject to completion and amendment and as supplemented, modified or varied in accordance with the provisions of (i) in the case of a particular Class or Tranche of FX Hedged Metal Securities only, the additional terms and conditions set out in the annex hereto (the "**FX Hedge Additional Conditions**") and (ii) the Final Terms relating to a particular Class or Tranche of Metal Securities, will be applicable to the Metal Securities of such Class or Tranche and which will be attached to or endorsed on such Metal 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 "Metal Securities" are to the Metal Securities of one Class only, not to all Metal Securities which may be issued under the Programme from time to time.*

A Class of Metal Securities may be either FX Unhedged Metal Securities or FX Hedged Metal Securities, as specified in the applicable Final Terms. For the avoidance of doubt, the terms and conditions of the relevant Class of Metal Securities shall be constituted as set out below:

Type	Conditions
FX Unhedged Metal Securities	1. the General Conditions; and 2. the Final Terms applicable to such Class
FX Hedged Metal Securities	1. the General Conditions; 2. the FX Hedge Additional Conditions; and 3. the Final Terms applicable thereto

The relevant Final Terms may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with these terms and conditions, replace and/or modify these terms and conditions for the purposes of that Class of Metal Securities. References herein to the "Conditions" of a Class of Metal Securities are to the General Conditions and (if applicable) the FX Hedge Additional Conditions as so replaced and/or modified by the Final Terms applicable to that Class of Metal Securities.

The Metal Securities are issued under the Metal Securities Programme of the Issuer (the "**Programme**"). In respect of a Class of Metal Securities, the Metal Securities of such Class will be constituted by (i) a master trust deed dated 31 January 2020 (in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities) or a master trust deed dated 26 September 2024 (in respect of the relevant Class of FX Hedged Gold Securities) and made between, among others, The Law Debenture Trust Corporation p.l.c. (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 Metal Securities and the other persons specified therein (as amended, supplemented, novated and/or replaced from time to time, the "**Master Trust Deed**"); and (ii) any supplemental trust deed in respect of such Class of Metal Securities which shall be dated the Issue Date of the first Tranche of Metal Securities of such Class and made between, among others, the Issuer and the Trustee (as amended, supplemented, novated and/or replaced from time to time, a "**Supplemental Trust Deed**"). The Master Trust Deed and any Supplemental Trust Deed in respect of each Class of Metal 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 each Class of Metal Securities are secured by way of a security deed in respect of that Class of Metal Securities over the Secured Property that relates to that Class of Metal Securities between, among others, the Issuer and The Law Debenture Trust Corporation p.l.c. acting in its capacity as the security trustee (the "**Security Trustee**", which expression shall include all persons for the time being the security trustee or security trustees under the applicable Security Deed (as defined below)) (each, as amended, supplemented, novated and/or replaced from time to time, a "**Security Deed**").

Copies of the Master Trust Deed, any Supplemental Trust Deed, each Security Deed and each Custody Agreement (as defined below) are available for inspection during business hours by prior appointment at the registered office of the Trustee and at the registered office of the Issuer.

The Securityholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, each Custody Agreement, each Security Deed, 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 Class or Tranche of Metal Securities held by such Securityholders.

1 DEFINITIONS

1.1 Definitions

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

"**Account Bank**" means the Initial Account Bank and any Eligible Account Bank that has entered into an Account Bank Agreement with the Issuer.

"**Account Bank Agreement**" means an agreement dated 5 October 2021 between the Account Bank and the Issuer governing the operation of the Issuer Redemption Cash Account.

"**Actual Redemption Sale Proceeds**" means with respect to a Metal Sale, an amount in the Relevant Currency equal to the total sale proceeds received for the Metal sold in connection with a Metal Sale.

"**Administration Agreement**" means the administration agreement dated 31 January 2020 between the Issuer and the Administrator as amended, supplemented, novated or replaced from time to time.

"**Administrator**" means Apex Fund Services (Ireland) Limited and any successor or replacement thereto or any other entity appointed as administrator pursuant to the Administration Agreement.

"**Agent Redemption Event Notice**" has the meaning given to it in Condition 8.2(b) (*Compulsory Redemption Events*).

"**Agents**" means any Registrar, any Transfer Agent, the Administrator, any Issuing and Paying Agent, the Metal Agent, the Determination Agent or any of them and such other agent(s) as may be appointed from time to time in relation to the Metal Securities under any Registrar Agreement, any Transfer Agency Agreement, any Administration Agreement, any Issuing and Paying Agency Agreement, any Metal Agent Agreement, any Determination Agency Agreement or any other agreement with the Issuer under which an agent is appointed from time to time in relation to the Metal Securities, as applicable, and any successor or replacement and "**Agent**" means any of them.

"**Authorised Participant**" means any bank or financial institution that is party to an Authorised Participant Agreement.

"**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 (*Form and Title*).

"**Business Day**" means, in respect of any Metal Securities, a day which is a London Business Day.

"**Certificated**" or "**Certificated Form**" means not in Uncertificated Form.

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

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

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

"**Clearing System Business Day**" means a day on which the Relevant Clearing System is open for the purpose of effecting settlement of Metal Securities.

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

"**Common Depositary**" means, in relation to a Class of Metal Securities issued in CGN form, the common depositary for Euroclear or Clearstream, appointed in respect of such Class.

"**Common Safekeeper**" means, in relation to a Class of Metal Securities issued in NGN form or in the new safekeeping structure, the common safekeeper for Euroclear or Clearstream, appointed in respect of such Class.

"**Compulsory Daily Sale Number**" means in respect of a Compulsory Redemption and a Class of Metal Securities, the number of Outstanding Metal Securities of that Class, which, in relation to each Business Day on which Metal Securities of that Class are required to be Redeemed by Metal Sale in accordance with Condition 8.5 (*Compulsory Redemption Process*) with the sale of Metal taking place on that day, shall be;

(a) if the Compulsory Sale Number is not more than the Redemption Limit (in each case of the relevant Class), the Compulsory Sale Number;

(b) otherwise, the amount shall be the Redemption Limit on the first and each successive Business Day thereafter except on the last such Business Day when the amount shall be the Compulsory Sale Number minus the sum of the Compulsory Daily Sale Number for each preceding Compulsory Metal Sale Date for that Class in relation to the Compulsory Redemption.

"**Compulsory Metal Sale Date**" means in respect of any Metal Securities and a Compulsory Redemption, the First Compulsory Metal Sale Date and each required successive Business Day on which the Compulsory Daily Sale Number is a number greater than zero.

"**Compulsory Redemption**" means a Redemption of Metal Securities in accordance with Condition 8 (*Compulsory Redemption*).

"**Compulsory Redemption Date**" means the date designated as such in accordance with Condition 8.1 (*Issuer Call Redemption Event*), Condition 8.2 (*Compulsory Redemption Events*), Condition 8.3 (*Events of Default*) or Condition 8.4 (*Compulsory Redemption for Cause*) (as the case may be).

"**Compulsory Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Compulsory Redemption Settlement Date**" has the meaning given to it in Condition 8.6 (*Compulsory Redemption Settlement Date*).

"**Compulsory Sale Number**" means in respect of a Compulsory Redemption and a Class of Metal Securities, where such Compulsory Redemption Date is designated in accordance with:

(a) Condition 8.1 (*Issuer Call Redemption Event*), the total number of Metal Securities of that Class Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date or such other number of such Metal Securities as may be called for Redemption in the Issuer Call Redemption Notice;

(b) Condition 8.2 (*Compulsory Redemption Events*) or Condition 8.3 (*Events of Default*), the total number of Metal Securities of that Class Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date;

(c) Condition 8.4 (*Compulsory Redemption for Cause*), the total number of Metal Securities of that Class held by the Securityholder where the Issuer notifies the Securityholder that Metal Securities of such Class are to be subject to Compulsory Redemption.

"**Conditions**" means these terms and conditions as so replaced and/or modified by the Final Terms applicable to that Class of Metal Securities.

"**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.

"**Custodian**" means, with respect to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, The Royal Mint Limited and any successor thereto and, with respect to any other Class of Metal Securities, such party as is appointed custodian with respect to such Class in accordance with the terms of a Custody Agreement and any successor or replacement thereto.

"**Custody Agreements**" means: (a) with respect to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, the Secured Unallocated Gold Custody Agreement and the Secured Allocated Gold Custody Agreement and; (b) with respect to any other Class of Metal Securities, means such agreements providing for the custody of Metal relating to such Class entered into by the Issuer and a Custodian.

"**Custody Redemption Event Notice**" has the meaning given to it in Condition 8.2(c) (*Compulsory Redemption Events*).

"**Default Redemption Event Notice**" has the meaning given in Condition 8.3 (*Events of Default*).

"**Denomination**" means, in respect of a Metal Security, an amount equal to its Principal Amount.

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

"**Determination Agency Agreement**" means the Management and Determination Agent Agreement (as amended, supplemented, novated and/or replaced from time to time) or any successor or replacement agreement between the Issuer and a Determination Agent in relation to the provision of determination agency services.

"**Determination Agent**" means, in respect of a Class, any entity appointed as determination agent in accordance with the terms of a Determination Agency Agreement and, as at the date hereof, means HANetf in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities.

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

"**Disruption Event**" has the meaning given to it in Condition 9.1 (*Disruption Events*).

"**Dublin Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open to settle payments in Dublin.

"**Eligible Account Bank**" means any reputable bank, financial institution or credit institution operating in the EEA and/or the UK.

"**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 8.3 (*Events of Default*).

"**Exchange Date**" has the meaning given to it in Condition 3.1 (*Exchange of Bearer Securities*).

"**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 Metal 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 Securityholders duly convened and held in accordance with the relevant provisions of the Master Trust Deed.

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

"**First Compulsory Metal Sale Date**" means in respect of any Metal Securities and a Compulsory Redemption, the fifth Business Day following the Compulsory Redemption Date in respect of such Metal Securities.

"**Further Tranche**" means any Tranche of a Class of Metal Securities issued after the Class Issue Date in accordance with Condition 16 (*Issue of Further Tranches and Classes of Metal Securities*).

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

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

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

"**HANetf**" means HAN ETF Limited, a private limited company incorporated in England with registered number 10697042, or any successor thereto.

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

"**Initial Account Bank**" means a bank or financial institution incorporated in the EEA and/or the United Kingdom.

"**Initial Early Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Initial Tranche**" means the first Tranche of a Class of Metal Securities issued.

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

"**Issuer**" means HANetf ETC Securities plc, a public limited company incorporated under the laws of Ireland with company number 664945, whose registered office is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767.

"**Issuer Call Redemption Event**" has the meaning given to it in Condition 8.1 (*Issuer Call Redemption Event*).

"**Issuer Call Redemption Notice**" has the meaning given to it in Condition 8.1 (*Issuer Call Redemption Event*).

"**Issuer Insolvency Event**" means each of the Events of Default set out at Condition 8.3(c) (*Events of Default*) and Condition 8.3(d) (*Events of Default*).

"**Issuer Redemption Cash Account**" means in respect of a Class, an account or accounts opened with the Account Bank in the name of the Issuer and operated by the Issuer into which amounts received by or on behalf of the Issuer for the purpose of effecting Redemptions and Compulsory Redemptions are paid from time to time including any Net Redemption Sale Proceeds.

"**Issuer Redemption Notice**" has the meaning given to it in Condition 8.2(d) (*Compulsory Redemption Events*).

"**Issuer's Website**" means the website having the following internet address: https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents or such other internet address as may be used by the Issuer and notified to Securityholders and the Trustee in accordance with Condition 17 (*Notices*).

"**Issuing and Paying Agency Agreement**" means an agreement entered into by the Issuer that provides for the appointment of any person as Issuing and Paying Agent.

"**Issuing and Paying Agent**" means in respect of a Class, any entity appointed as issuing and paying agent of the Issuer in respect of such Class.

"**LBMA**" means the London Bullion Market Association.

"**London Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open to settle payments in London.

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

"**Management and Determination Agent Agreement**" means the agreement between the Issuer and HANetf dated 31 January 2020 in respect of the provision of services by HANetf to the Issuer in connection with the Programme, as amended and/or supplemented from time to time or any replacement agreement which the Issuer may enter into from time to time, in respect of the provision of such services.

"**Metal**" means gold only.

"**Metal Agent**" means, as at the date hereof, in relation to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, The Royal Mint Limited and any other person as may be party to a Metal Agent Agreement with the Issuer.

"**Metal Agent Agreement**" means in relation to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, the metal agent agreement dated 31 January 2020 and entered into by

the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator and any other agreement entered into by the Issuer that provides for the appointment of any person as a metal agent with respect to the sale of Metal in relation to Metal Securities.

"**Metal Delivery**" means in relation to a Redemption of any Metal Securities, settlement of the Issuer's obligations in respect of such Redemption by delivery of an amount of Metal equal to the Metal Entitlement of such Metal Securities.

"**Metal Entitlement**" means in respect of a calendar day and a number of Metal Securities of a Class, an amount of Metal equal to the Metal Entitlement per Security with respect to that Class multiplied by that number.

"**Metal Entitlement per Security**" in respect of a Class of Metal Security, has the meaning given to it in Condition 5 (*Metal Entitlement per Security*).

"**Metal Sale**" means in relation to the Optional Redemption (by one or more Securityholders) or the Compulsory Redemption of any Metal Securities, settlement of the Issuer's obligations in respect of such Redemption by sale of an amount of Metal equal to the Metal Entitlement of such Metal Securities and payment of the Net Redemption Sale Proceeds as more particularly provided for in Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*) (as the case may be).

"**Metal Sale Date**" means:

(a) with respect to an Optional Redemption to be effected by Metal Sale pursuant to Condition 7.8(a)(i) to 7.8(a)(ii) (*Metal Sale*), the second Business Day following the Trade Date;

(b) with respect to an Optional Redemption to be effected by Metal Sale pursuant to Condition 7.8(a)(iii) (*Metal Sale*), the second Business Day following the Business Day on which the Metal Entitlement per Security is determined; and

(c) with respect to a Compulsory Redemption, each Compulsory Metal Sale Date.

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

"**Net Redemption Sale Proceeds**" means in respect of a Metal Sale, an amount denominated in the Relevant Currency equal to the sum of the Actual Redemption Sale Proceeds less all amounts which the Metal Agent is entitled to deduct from the proceeds of sale in accordance with Condition 7.8(f) (*Metal Sale*) or Condition 8.5(f) (*Compulsory Redemption Process*) (as the case may be).

"**NGN**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Non-AP Securityholder**" means a Securityholder that is not also an Authorised Participant.

"**Non-Disrupted Day**" means each day that is a Business Day and is not a Suspended Day or a day which falls within a Suspension Period.

"**Notice Deadline**" means 3.00 p.m. (London time), provided that the Notice Deadline in respect of any Class of Metal Securities may be adjusted by agreement between the Issuer and the Custodian 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 (*Notices*).

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

"**Operating Procedures**" means the operating procedures of the Issuer in respect of Subscription and Redemption.

"**Optional Redemption**" means the Redemption of Metal Securities at the option of one or more Securityholders in accordance with the provisions of Condition 7 (*Redemption*).

"**Outstanding**" means, for the purposes of the Conditions, Trust Deed and Security Deed, in relation to the Metal Securities and a day:

(a) on the Class Issue Date, the Metal Securities issued on such day; and

(b) on any day thereafter, all the Metal Securities issued on or prior to such day except:

(i) those that have been Redeemed in accordance with Condition 8 (Compulsory Redemption);

(ii) those that have been cancelled for any reason;

(iii) those in respect of which the date for Redemption has occurred and the Redemption monies 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 Metal Securities;

(iv) those that have become void or in respect of which claims have become prescribed;

(v) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not delivered in full the relevant Subscription Amount under the Authorised Participant Agreement;

(vi) those in respect of which a Compulsory Redemption Settlement Date or 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 Metal from the Custodian or cash from the Metal Agent (as applicable and as the case may be);

(vii) those that have been purchased, settled and cancelled as provided in Condition 8.1 (Issuer Call Redemption Event);

(viii) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities;

(ix) (for the purpose only of determining how many Metal 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 Metal Securities have been issued; and

(x) 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 Securityholders, (2) the determination of how many Metal Securities are Outstanding for the purposes of the Conditions, the Trust Deed and each Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those Metal 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, Metal Securities (if any) which the Issuer has agreed on or prior to such day to Redeem but in respect of which the Metal Entitlement or Net Redemption Sale Proceeds

has not yet been delivered to or paid in full to the Issuer (or the Trustee or the Issuing and Paying Agent, as applicable) shall be deemed to be "Outstanding" on such day and Metal Securities (if any) which the Issuer has agreed on or prior to such day to issue but in respect of which delivery of the relevant Subscription Amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "Outstanding" on such day.

"**Over-allocated Metal**" means, in respect of a Class of Metal Securities, the amount of Metal in the Secured Allocated Accounts which relates to any over-allocation of Metal by the Custodian to the relevant Secured Allocated Accounts in order to allow for:

(a) delivery of an amount of Metal into the Secured Allocated Accounts that equates to a single Metal bar, plate, ingot or other relevant metal shape notwithstanding that the amount of Metal due to the Issuer was less than the weight of such single Metal bar, plate, ingot or other relevant metal shape; or

(b) withdrawal of an amount of Metal from the Secured Allocated Accounts that equates to a single Metal bar, plate, ingot or other relevant metal shape notwithstanding that the amount of Metal due from the Issuer was greater than the weight of such single Metal bar, plate, ingot or other relevant metal shape.

"**Over-allocated Metal Cash Proceeds**" means:

(a) in respect of any Over-allocated Metal sold in connection with a Metal Sale an amount denominated in the Relevant Currency equal to the Relevant Proportion of the sale proceeds in respect of the Metal realised in connection with such Metal Sale; or

(b) in respect of any Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), the Relevant Proportion of the sale proceeds in respect of Metal realised during such enforcement process.

"**Over-allocated Metal Proceeds**" means:

(a) in respect of Over-allocated Metal realised in connection with a Metal Sale, an amount of Metal equivalent to the Over-allocated Metal or the Over-allocated Metal Cash Proceeds; or

(b) in respect of Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), an amount of Metal equivalent to the Over-allocated Metal or the Over-allocated Metal Cash Proceeds.

"**Payment Business Day**" means, in respect of any Metal Securities, any day (i) which is a Clearing System Business Day 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 the principal financial centre of the Relevant Currency).

"**Principal**" means the Net Redemption Sale Proceeds.

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

"**Proceedings**" has the meaning given to it in Condition 20.2 (*Jurisdiction*).

"**Programme Document**" means each of the Trust Deed, the Determination Agency Agreement, the Administration Agreement, each Metal Agent Agreement, each Custody

Agreement, each Security Document, each Issuing and Paying Agency Agreement, and each Authorised Participant Agreement and "**Programme Documents**" means all such documents.

"**Programme Effective Date**" means the date on which the Prospectus in respect of the Programme is approved by the relevant competent authority.

"**Programme Maximum Number of Metal Securities**" means 10,000,000,000.

"**Programme Party**" means a party to a Programme Document (other than the Issuer).

"**Prohibited Metal Holder**" means a UCITS or other person prohibited by applicable law or regulation from owning or taking delivery of the relevant Metal.

"**Prohibited Physical Redemption**" means in respect of a Redemption that the Issuer would be prohibited by virtue of legal or regulatory reasons from making a delivery of the relevant Metal to the Securityholder.

"**EU Prospectus Regulation**" means regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

"**Record Date**" means the Business Day immediately prior to the date for payment.

"**Redeeming Securityholder**" means a Securityholder whose Metal Securities are the subject of a Redemption.

"**Redemption**" means the redemption of Metal Securities (i) by Optional Redemption or (ii) by a Compulsory Redemption, and "Redeem" and "Redeemed" shall be construed accordingly.

"**Redemption Fee**" mean a fee payable by the Securityholder on the Redemption of Metal Securities pursuant to Condition 7.5 (*Redemption Fee*).

"**Redemption Form**" means a notice in the applicable form (which may vary depending on whether the Securityholder is an Authorised Participant or a Non-AP Securityholder and on the Redemption Mechanism) prescribed by the Issuer from time to time for the purpose of requesting Redemption of Metal Securities.

"**Redemption Limit**" means with respect to a Class, a limit per Business Day on the Redemption of Metal Securities with a Metal Entitlement that has a market value (as determined by the Determination Agent), exceeding such limit, as such limit may be notified to the Securityholders in accordance with Condition 17 (*Notices*). As of the Programme Effective Date, the Redemption Limit, in respect of The Royal Mint Responsibly Sourced Physical Gold ETC Securities shall be:

(a) the market value (in USD) of the Metal Entitlement of the Outstanding Metal Securities on the Metal Sale Date (or in the case of a Compulsory Redemption, the first Compulsory Metal Sale Date) divided by 15; or

(b) USD 400 million,

whichever is higher.

"**Redemption Mechanism**" means each of:

(a) Metal Delivery; and

(b) Metal Sale.

"**Redemption Settlement Date**" means:

(a) in the case of a Redemption pursuant to Condition 7 (*Redemption*), has the meaning given to it in Condition 7.10 (*Redemption Settlement Date*); and

(b) in the case of a Compulsory Redemption, the Compulsory Redemption Settlement Date.

"**Register**" means a register maintained by a Registrar of persons holding the Metal Securities.

"**Registered Securities**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Registrar**" means any such person appointed by the Issuer from time to time to maintain the registers of persons holding the Metal Securities.

"**Registrar Agreement**" means any such agreement entered into between the Issuer and a Registrar.

"**Relevant Association**" means with respect to a Class of Metal Securities in respect of which the Metal Entitlement is in gold, the LBMA.

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

"**Relevant Currency**" means with respect to a Class of Metal Securities, the currency in which the Principal Amount of a Metal Security of that Class is denominated, as specified in the Final Terms.

"**Relevant Date**" has the meaning given to it in Condition 12 (*Prescription*).

"**Relevant Proportion**" means:

(a) with respect to a Class of Metal Securities and Over-allocated Metal Proceeds realised in the course of a Redemption, the proportion that the Over-allocated Metal realised by way of sale of Metal bears to the total amount of Metal realised by way of Metal Sale or in the course of such other sale of Metal; and

(b) with respect to a Class of Metal Securities and Over-allocated Metal Proceeds realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*) by way of sale of Metal, the proportion that the Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), bears to the total amount of Metal realised in such enforcement process.

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

"**Relevant Stock Exchange**" means the London Stock Exchange, the Frankfurt Stock Exchange, the Borsa Italiana, Euronext Paris, the SIX Swiss Exchange and/or any other stock exchange on which Metal Securities of a Class may be listed, as specified in the applicable Final Terms.

"**RIS**" means a regulated information service for the purposes of giving information relating to the Metal Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time.

"**Secondary Early Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Secured Accounts**" means with respect to a Class of Metal Securities, the Secured Allocated Account and the Secured Unallocated Account with respect to that Class and "Secured Account" shall be construed accordingly.

"**Secured Allocated Account**" means with respect to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, the Secured Allocated Gold Account.

"**Secured Allocated Gold Account**" means the allocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Allocated Gold Custody Agreement.

"**Secured Allocated Gold Custody Agreement**" means the secured allocated gold custody agreement dated 31 January 2020 between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator.

"**Secured Liabilities**", with respect to a Class of Metal Securities, has the meaning given to it in the Security Deed in respect of that Class.

"**Secured Parties**", with respect to a Class of Metal Securities, has the meaning given to it in the Security Deed in respect of that Class and will include, without limitation, the Security Trustee, the Securityholders and the Issuing and Paying Agent.

"**Secured Property**" means, with respect to a Class of Metal Securities, the assets that are the subject of the security constituted by each applicable Security Deed and any other Security Document.

"**Secured Unallocated Account**" means with respect to The Royal Mint Responsibly Sourced Physical Gold ETC Securities, the Secured Unallocated Gold Account.

"**Secured Unallocated Gold Account**" means the unallocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Unallocated Gold Custody Agreement.

"**Secured Unallocated Gold Custody Agreement**" means the secured unallocated gold custody agreement dated 31 January 2020 between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator.

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

"**Security**" means a mortgage, charge, assignment, pledge, lien or other security interest securing any obligation of the Issuer or any other agreement or arrangement having a similar effect.

"**Security Document**" means any security document relating to a Class of Metal Securities pursuant to which Security over the Secured Property is created or perfected (including, for the avoidance of doubt, the Security Deed) and any other document designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time.

"**Securities Delivery Obligation**" has the meaning given to in Condition 7.6(c) (*Redemption Obligation*).

"**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).

"**Securityholder Cash Account**" means, in respect of a Securityholder and the Redemption of Metal Securities by Metal Sale, a bank account to receive payments of the Net Redemption Sale Proceeds in respect of the Redemption of such Metal 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 (or the Trustee as the case may be) from time to time; or

(b) otherwise, the bank account specified in the Redemption Form; or

(c) in respect of a Compulsory Redemption the bank account notified by a Securityholder to the Issuer in accordance with Condition 8.5 (*Compulsory Redemption Process)*.

"**Securityholder Metal Account**" means, in respect of a Securityholder and the Redemption of Metal Securities by Metal Delivery, an unallocated bullion account loco London with a member of the LBMA to receive Metal in respect of the Redemption of such Metal Securities, which account shall be:

(a) in respect of an Authorised Participant, the bullion account notified in writing for such purposes by the Authorised Participant to the Issuer (or the Trustee as the case may be) from time to time; and

(b) in respect of a Non-AP Securityholder, the bullion account specified in the Redemption Form.

"**Sub-custodian**" means any sub-custodian appointed by the Custodian provided that such appointment is permitted by a Custody Agreement.

"**Subscription**" means an offer by an Authorised Participant to the Issuer to subscribe for Metal Securities, being an offer on terms referred to in a Subscription Form and this document and in accordance with the provisions of the relevant Authorised Participant Agreement and "Subscribe" and "Subscribing" shall be construed accordingly.

"**Subscription Amount**" means, in relation to a Subscription Form, an amount per Metal Security equal to the Metal Entitlement per Security as at the relevant Trade Date.

"**Subscription Fee**" means the fee payable by an Authorised Participant on a Subscription of Metal Securities as specified in the Operating Procedures.

"**Subscription Form**" means a request from an Authorised Participant delivered to the Issuer to issue Metal Securities.

"**Subscription Settlement Date**" means the second Business Day after the Trade Date.

"**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 stating that with effect from the date specified in such notice subscription of the Metal Securities shall be suspended.

"**Suspended Day**" and "**Suspension Period**" have the respective meanings given to them in Condition 9.2(a) (*Determination of Disruption Events and Suspension Notices*).

"**Suspension Notice**" has the meaning given to it in Condition 9.2 (*Determination of Disruption Events and Suspension Notices*).

"**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 or charge of whatsoever nature (including, without limitation, any tax on income, profits, gains, net wealth, asset values or turnover, value added tax, stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary, recording tax or duty or any other similar tax, duty or charge) imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction.

"**The Royal Mint Responsibly Sourced Physical Gold ETC Securities**" means the Class of Metal Securities of that name backed by physical responsibly sourced gold held in a Secured Allocated Gold Account.

"**Threshold Event Date**" has the meaning give to it in Condition 7.9(a) (*Suspension of Redemptions*).

"**Total Expense Ratio**" has the meaning given to it in Condition 5.4 (*Total Expenses Ratio*).

"**Trade Date**" means:

(a) subject to Condition 9.2 (*Determination of Disruption Events and Suspension Notices*), in respect of an Optional Redemption of Metal Securities, the Business Day on which a Redemption Form is determined to be valid; and

(b) subject to Condition 9.2 (*Determination of Disruption Events and Suspension Notices*), in respect of a subscription of Metal Securities, the Business Day on which a Subscription Form is determined to be valid.

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

"**Transfer Agency Agreement**" means an agreement entered into by the Issuer that provides for the appointment of any person as Transfer Agent.

"**Transfer Agent**" means in respect of a Class, any entity appointed as transfer agent of the Issuer in respect of such Class.

"**UCITS**" means:

(a) an undertaking for collective investment in transferable securities that is established in accordance with the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended; and

(b) a "UCITS Scheme" as defined in the FCA Glossary.

"**uncertificated**", "**Uncertificated**", "**uncertificated form**" and "**Uncertificated Form**" means recorded on the Register as being held in uncertificated form, title to which is to be transferred by means of the Relevant Clearing System.

"**Uncertificated Registered Securities**" has the meaning given to it in Condition 2 (*Form and Title*).

"**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 2020 (S.I. No. 690 of 2020) and such other regulations made under section 239 of the Irish Companies Act 1990 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.

"**US Dollar**" or "**USD**" means the lawful currency of the United States of America.

1.2 **Interpretation**

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

(a) headings to Conditions, paragraphs and other provisions of these Conditions shall not affect the interpretation of these Conditions;

(b) any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity;

(c) words in the singular shall also include the plural and *vice versa*;

(d) any reference to these Conditions or to any agreement or document includes a reference to these Conditions or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time;

(e) any reference to a statute, statutory provision, regulation, directive or rule of any regulatory authority shall, unless the context otherwise requires, be construed as a reference to such statute, statutory provision, regulation, directive or rule as the same may from time to time be amended, modified, extended, consolidated, re-enacted or replaced; and

(f) unless otherwise indicated, any reference in these Conditions to a time is a reference to the prevailing time in London, England.

2 FORM AND TITLE

The Metal Securities may be issued in:

(a) bearer form (including in new global note ("**NGN**") form and in CGN form) and serially numbered ("**Bearer Securities**");

(b) in registered form (including in global registered form using the new safekeeping structure and in CGN form ("**Registered Securities**")); or

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities ("**Uncertificated Registered Securities**"),

in each case in the Denomination 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 Metal Securities is "**Bearer**", such Metal Securities are Bearer Securities. If it is so stated that the form of some or all of the Metal Securities is "**Registered**", such Metal Securities are Registered Securities. If it is so stated that the form of some or all of the Metal Securities is "**Uncertificated Registered**", such Metal Securities are Uncertificated Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the Metal Securities of a particular Class on issue will be the same.

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

In respect of Registered Securities relating to a Class to be issued in global form, the Global Registered Certificate in respect of such Registered Securities will (a) if the Registered Securities are intended to be issued in global registered form using the new safekeeping structure be registered in the name of a nominee for, and shall be deposited on its issue date with a Common Safekeeper on behalf of, Euroclear and Clearstream; and (b) if the Registered Securities are intended to be issued in CGN form, be registered in the name of a nominee for,

and shall be deposited on its issue date with a Common Depositary on behalf of, Euroclear and Clearstream.

All Registered Securities of the same Class shall have the same Denomination. 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 which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Registrar 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. Notwithstanding anything to the contrary in the Conditions, for so long as the Uncertificated Registered Securities are participating securities: (a) the Register shall be maintained at all times outside of the United Kingdom; (b) the Uncertificated Registered Securities may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Regulations; and (c) 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 Metal Security shall be deemed to be and may be treated as the absolute owner of such Metal Security for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Metal 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 TRANSFERS OF REGISTERED SECURITIES AND UNCERTIFICATED REGISTERED SECURITIES

3.1 Exchange of 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 Metal Securities represented by the Global Bearer Security submitted for exchange, security printed in accordance substantially in the form required under the Trust Deed.

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 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 Securityholders. A copy of the current regulations will be made available by the Registrar to any Securityholders 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 a 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 (*Transfer of Registered Securities in definitive form*) and 3.3 (*Exercise of options or partial Redemption in respect of Registered Securities*) will be available for delivery within five Dublin Business Days of surrender of 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.

Exchange and transfer of Metal Securities on registration or transfer (as contemplated by this Condition 3.4) may be subject to a charge by or on behalf of the Issuer, the Issuing and Paying Agent, the Registrar, or any relevant agent of the Issuer and/or payment by the relevant Securityholder (or the giving by the relevant 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.

3.5 **Closed periods**

No Securityholder may require the transfer of a Registered Security to be registered (i) during the period of 15 calendar days ending on the due date for Redemption of that Metal Security, (ii) during the period of 15 calendar days prior to any date on which Metal Securities may be Redeemed pursuant to Condition 7 (*Redemption*) (as applicable) or by the Issuer at its election pursuant to Condition 8.1 (*Issuer Call Redemption Event*), (iii) after any such Metal 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.

3.6 **Exchange of Uncertificated Registered Securities**

All transactions in respect of Uncertificated Registered Securities (including, without limitation, transfers of the Metal Securities) in the open market or otherwise must be effected through an account with EUI. All transfers of the Metal Securities shall be subject to and made in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Registrar and CREST. The Uncertificated Regulations and such rules, procedures and practices may change from time to time. No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with: (i) the holding of title to the Metal 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 Metal 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 Metal 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 Metal 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 Securityholders in accordance with Condition 17 (*Notices*).

The provisions of the second paragraph of this Condition 3.6 (*Exchange of Uncertificated Registered Securities*) shall apply equally in the case where 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 include any closed period in which no Securityholder may require the transfer of an Metal Security to be registered in the Register, such closed periods shall apply to Uncertificated Registered Securities. Details of any such closed period will be available from the Registrar.

4 **CONSTITUTION AND STATUS**

Each Class of Metal Securities is constituted by the applicable Trust Deed and secured by the applicable Security Deed, and each applicable Security Document. The Metal Securities of each Class are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Condition 6.4 (*Limited recourse and non-petition*). Each Metal Security has a Principal Amount set out in the Final Terms and without prejudice to the provisions of Condition 7 (*Redemption*) but subject always to the provisions of Condition 6.4 (*Limited recourse and non-petition*), a Securityholder may elect to receive on Redemption an amount in cash equal to the Principal Amount in lieu of the amount otherwise specified in Condition 7 (*Redemption*). The Issuer acknowledges in the Trust Deed its indebtedness in respect of the aggregate Principal Amount.

5 **METAL ENTITLEMENT PER SECURITY**

5.1 **Calculation and publication of Metal Entitlement per Security**

The Administrator shall determine the Metal Entitlement per Security in respect of each calendar day and each Class of Metal Security, and the Issuer shall publish such Metal Entitlement per Security in respect of each calendar day during the term of the Metal Securities on the Issuer's Website up to (and including) the Compulsory Redemption Date in respect of all of the Outstanding Metal Securities of such Class.

5.2 **Initial Metal Entitlement per Security**

As at the Issue Date of the Initial Tranche of The Royal Mint Responsibly Sourced Physical Gold ETC Securities such Class of Metal Securities shall have a Metal Entitlement per Security of 0.01 fine troy ounce of gold.

5.3 **Calculation of Metal Entitlement per Security**

Subject to Condition 5.2 (*Initial Metal Entitlement per Security*), the Metal Entitlement per Security on a calendar day shall be an amount of Metal per Metal Security (calculated to nine decimal places with 0.0000000005 fine troy ounces (in case of gold) rounded upwards, and subject to a floor of zero) calculated by the Determination Agent as follows for each class of Metal Security:

$ME_{(i,t)} = ME_{(i,t-1)} \times (1 - TER_{(i,t)})^{1/N}$

Where:

"i" means to the relevant class of Metal Security;

"t" means the applicable day (with t-1 being the previous day);

"ME_t" means the Metal Entitlement per Security in respect of the relevant calendar day;

"ME_{t-1}" means the Metal Entitlement per Security in respect of the immediately preceding calendar day;

"TER_t" means the Total Expense Ratio as of the relevant calendar day, expressed as a decimal; and

"N" means 365 (or 366 when the relevant calendar day is in a leap year).

5.4 **Total Expenses Ratio**

(a) The "**Total Expense Ratio**" is the rate per annum specified as such in the Final Terms in respect of each Class of Metal Securities. The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of Metal Securities for that Class.

(b) The Total Expense Ratio shall cease to apply to a Class of Metal Securities on the Compulsory Redemption Date relating to such Class.

(c) The Issuer may vary the Total Expense Ratio in respect of a Class provided that no increase in the Total Expense Ratio in respect of a Class will take effect unless the Securityholders of such Class have been given at least 30 calendar days' prior notice in accordance with Condition 17 (*Notices*).

(d) The Issuer shall publish the Total Expense Ratio in respect of each Class of Metal Securities from time to time on the Issuer's Website.

5.5 **Total Expense Ratio Metal**

Any accrued Metal representing the reduction in the Metal Entitlement per Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account to the Metal Agent in accordance with the relevant Custody Agreement and will be sold, and its proceeds paid to the order of the Issuer, in accordance with the Metal Agent Agreement.

6 SECURITY

6.1 Enforcement of Security constituted by the Security Documents

The Security constituted by the applicable Security Documents in respect of each Class shall become enforceable upon the occurrence of an Event of Default.

6.2 Realisation of Security constituted under each Security Document

At any time after the Security constituted by any Security Document has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by (i) the holders of at least one-fifth in number of the Metal Securities of the relevant Class then Outstanding, or (ii) by an Extraordinary Resolution of the Securityholders of the relevant Class, in each case subject to its having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions, direct the Security Trustee to enforce the Security constituted by the relevant Security Document.

To do this, the Security Trustee may, at its discretion and once directed to do so by the Trustee, (i) enforce any relevant Programme Document relating to the Metal Securities of such Class in accordance with its or their terms and/or take action against the relevant Obligor(s), (ii) take action against the Issuer, and/or (iii) take possession of and/or realise all or part of the assets over which the Security constituted by the relevant Security Document 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 Securityholders.

The Security Trustee may, in writing, appoint a receiver or receivers over all or part of the assets over which the Security constituted by the relevant Security Document 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 Security Trustee nor any receiver appointed by it or any attorney or agent of the Security Trustee shall, 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 misconduct.

The Security Trustee shall not be required to take any action in relation to the Security constituted by a Security Document which may be illegal or contrary to any applicable law or regulation or 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 (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with such action.

6.3 Application of proceeds of enforcement of Security

Pursuant to the terms of the Trust Deed, the Trustee will apply any amounts received or recovered under the applicable Trust Deed and 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) as follows:

(i) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(ii) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the 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);

(iii) third, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(iv) fourth, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and

(v) fifth, in payment of any balance to the Issuer for itself.

6.4 **Limited recourse and non-petition**

In respect of any claim against the Issuer in connection with any relevant Class of Metal Securities or otherwise (whether arising under the relevant Trust Deed, the Programme Documents, the general law or otherwise), the Programme Parties and the Securityholders shall have recourse only to the Secured Property in respect of such relevant Class of Metal Securities, 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 (*Security*), the Trust Deed and any Security Deed, 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, none of the Programme Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

None of the Programme Parties or the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets (other than in respect of the Secured Property in respect of the Metal Securities in question), 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 Class with the Metal Securities).

The provisions of this Condition 6.4 (*Limited recourse and non-petition*) shall survive notwithstanding any Redemption of the Metal Securities or the termination or expiration of any Programme Document.

6.5 **Issuer's rights as beneficial owner of Secured Property**

Notwithstanding Condition 14.1 (*Meetings of Securityholders*), unless otherwise directed in a Security Document at any time before the Security constituted by a Security Document in respect of a Class of Metal Securities becomes enforceable, the Issuer may, without the sanction of an Extraordinary Resolution and without the prior written consent of the Trustee or Security Trustee:

(a) take such action in relation to the Secured Property relating to the Metal Securities as may not be prohibited 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 relevant Security Document and 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 would be prejudicial to any Security in respect of such Metal Securities or if it is directed to the contrary by the Trustee or by an Extraordinary Resolution. If such direction is given, the Issuer shall act only in accordance with such direction.

7 REDEMPTION

7.1 Redemption right

Each Metal Security shall carry:

(a) if Metal Delivery applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) to delivery in Metal of an amount equal to the Metal Entitlement per Security (rounded down to the nearest 0.01 fine troy ounce in the case of gold) as further specified in Condition 7.7 (*Metal Delivery*); and

(b) if Metal Sale applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) or pursuant to a Compulsory Redemption to payment of any amount equal to the pro-rata share in respect of that Metal Security in the Net Redemption Sale Proceeds of the Metal Sale as further specified in Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*) (as the case may be).

7.2 Redemption by Authorised Participants

A Securityholder who is also an Authorised Participant may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Metal Securities by submitting a valid Redemption Form. Metal Delivery shall apply to such Redemption save that Metal Sale will apply in the circumstances specified in Condition 7.8 (*Metal Sale*).

7.3 Redemption by Non-AP Securityholders

A Non-AP Securityholder may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Metal Securities by submitting a valid Redemption Form. Metal Delivery shall apply to such Redemption save that:

(a) if the Issuer has given notice under Condition 17 (*Notices*) that there are no Authorised Participants and that notice remains in effect, the Non-AP Securityholder may elect that Metal Sale shall apply to such Redemption; and

(b) Metal Sale shall apply in the circumstances specified in Condition 7.8 (*Metal Sale*).

7.4 Redemption Forms

(a) A Redemption Form:

(i) must be in writing;

(ii) must specify the number and Class of any Metal Securities to be Redeemed;

(iii) must:

(A) in respect of a Redemption Form submitted by a Non-AP Securityholder, be signed by the Securityholder or by an authorised signatory on behalf of it; or

(B) in respect of a Redemption Form submitted by an Authorised Participant, be authenticated by such other method as described in the Operating Procedures;

(iv) is irrevocable once it has been submitted to the Issuer.

(b) A Redemption Form shall only be valid if:

(i) it is in the form specified by the Issuer with respect to the type of Securityholder (Securityholder that is also an Authorised Participant or Non-AP Securityholder) and the applicable Redemption Mechanism;

(ii) it complies with the requirements of Conditions 7.4(a)(i) (*Redemption Forms*) to 7.4(a)(iii) (*Redemption Forms*);

(iii) the Redemption does not constitute a Prohibited Physical Redemption;

(iv) it is received by the Issuer between 8.00 a.m. (London time) and the Notice Deadline on any Business Day (save that the Issuer may in its sole and absolute discretion decide to treat a Redemption Form received on a Business Day after the Notice Deadline as if it had been received before the Notice Deadline);

(v) in the case of a Redemption by a Non-AP Securityholder, the Securityholder has paid the Redemption Fee referred to at Condition 7.5 (*Redemption Fee*);

(vi) it is confirmed as valid by the Issuer (or the Administrator acting on behalf of the Issuer) by 3.45 p.m. on the Business Day on which it is received (or deemed to be received);

(vii) the Securityholder has complied with all compliance and identification checks reasonably required by the Issuer;

(viii) the Redemption Form is received or is deemed to have been received before the occurrence of a Compulsory Redemption Event;

(ix) it is not invalid by virtue of a suspension of Redemptions pursuant to Condition 7.9 (*Suspension of Redemptions*);

(x) in the case of a Redemption by a Non-AP Securityholder by Metal Delivery, the Redemption Form specifies a Securityholder Metal Account into which the relevant Metal can be deposited; and

(xi) such Redemption Form is submitted by a Securityholder on any Business Day and no other Redemption Form has been submitted by that Securityholder on or in respect of such Business Day in respect of the same Class (unless the Issuer otherwise agrees in its absolute discretion).

(c) The Issuer shall be deemed to have received a Redemption Form at such time as the Administrator has notified the Determination Agent that it has received it.

(d) If the Issuer determines that a Redemption Form is valid, it shall confirm that fact to the Securityholder as soon as reasonably practicable. No Metal Securities may be Redeemed pursuant to a Redemption Form that the Issuer has not confirmed as valid.

(e) Once it has received a valid Redemption Form from a Securityholder in relation to Metal Securities and confirmed that fact to the Securityholder, the Issuer shall take all steps necessary to give effect to such Redemption Form as required by this Condition 7 (*Redemption*).

(f) The Issuer may change or vary the procedures for the submission of Redemption Forms on not less than five days' prior notice to the Securityholders in accordance with Condition 17 (*Notices*) and these Conditions shall be interpreted accordingly.

7.5 **Redemption Fee**

(a) On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee payable by a Securityholder shall be the amount specified in the Operating Procedures.

(b) On an Optional Redemption of Metal Securities by a Non-AP Securityholder, the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer of complying with the Redemption Form, which shall be notified to the Securityholder at the time of the Redemption, and shall not be greater than €600 or such other amount as may be notified in accordance with Condition 17 (*Notices*). The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption.

(c) On a Compulsory Redemption of Metal Securities by the Issuer pursuant to Condition 8.4 (*Compulsory Redemption for Cause*), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (*Notices*). The Issuer shall give notice to Securityholders of Metal Securities subject to such Compulsory Redemption of the amount of those costs and their allocation to particular Securityholders at the time of the Redemption. The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate available to, and as certified by, the Issuer. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption. No Redemption Fee is payable with respect to a Compulsory Redemption save pursuant to Condition 8.4 (*Compulsory Redemption for Cause*).

(d) Save where Condition 7.5(b) (*Redemption Fee*) applies, it is a condition to the performance by the Issuer of its obligation to Redeem Metal Securities where Metal Sale applies that the Issuer may deduct the Redemption Fee from the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption and that if it does not so deduct the Redemption Fee from such amount the Securityholder shall pay the Redemption Fee in accordance with this Condition 7.5 (*Redemption Fee*). Save where Condition 7.5(b) (*Redemption Fee*) applies, the Issuer may set-off the amount of the Redemption Fee payable under this Condition 7.5 (*Redemption Fee*) against the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption.

7.6 **Redemption Obligations**

(a) Upon a valid Redemption Form having been submitted and its validity having been confirmed by the Issuer (or the Administrator on its behalf) in respect of Metal Securities, those Metal Securities may not be transferred by the Securityholder except where such transfer is to the Issuer, and the Issuer may refuse to recognise any other purported transfer.

(b) Where a Redemption Form has been submitted for the Redemption of Metal Securities, the Securityholder of the Metal Securities subject to the Redemption must:

(i) (if the Metal Securities subject to the Redemption are in Uncertificated Form), transfer the Metal Securities into an appropriate account with the Relevant Clearing System and give correct instructions in accordance with the Redemption Form; and

(ii) (if the Metal Securities subject to the Redemption are in Certificated Form), deliver the Metal Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree.

(c) In order for the Issuer to effect a Redemption on the Redemption Settlement Date, the Securityholder must have complied in full with its obligations under Condition 7.6(b) (*Redemption Obligations*) (its "**Securities Delivery Obligation**") by 3.00 p.m. London time on the second Business Day following the Trade Date. Any failure by the Securityholder to comply with its Securities Delivery Obligation by that time shall not cause the Redemption of such Metal Securities to be invalid but the Securityholder shall not be entitled to deliveries or payments in connection with the Redemption unless and until the Securities Delivery Obligation has been complied with. No interest or other amount shall be payable in connection with late deliveries or payments resulting from a failure to comply with the Securities Delivery Obligation.

(d) If Metal Securities are Redeemed in accordance with this Condition 7 (*Redemption*) or Condition 8 (*Compulsory Redemption*), the Issuer shall have the right to cancel the entry in the Register in respect of the Metal Securities being Redeemed upon: (i) delivery of the Metal Entitlement to the relevant Securityholder in respect of the Metal Securities being Redeemed, or (ii) payment of the amount due to the relevant Securityholder pursuant to Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*).

(e) The Issuer may, at any time, notify a Securityholder that the Issuer may have to withhold or deduct from any payment (if applicable) that corresponds to the Redemption Form an amount for or on account of, any present or future Taxes as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Metal Securities that may allow the Issuer to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Securityholder or if it is not the beneficial owner of the Metal Securities held by such Securityholder and which are to be Redeemed, then any such payment will be reduced (and the matching obligation of the Issuer to deliver or to procure the delivery of the Metal Entitlement per Security), or other amount due to that Securityholder will also be reduced, by the amount of the withholding or deduction.

7.7 **Metal Delivery**

(a) If Metal Securities of a Class are required to be Redeemed by Metal Delivery in accordance with this Condition 7 (*Redemption*), the Issuer shall upon receipt of the relevant valid Redemption Form and satisfaction of the Securities Delivery Obligation instruct the Custodian to transfer Metal attributable to or forming part of the Secured Property in respect of such Metal Securities from the relevant Secured Allocated Accounts to the applicable Securityholder Metal Account in an amount equal to the Metal Entitlement of the Metal Securities held by that holder that are being Redeemed, calculated as of the Trade Date, to be delivered to such account on the Redemption Settlement Date.

(b) If Metal Securities are Redeemed by Metal Delivery, all title to and risk in such Metal shall pass to the Redeeming Securityholder on the relevant Redemption Settlement Date. Neither the Issuer nor the Trustee shall be liable for any failure by the Custodian

to effect a delivery of the required Metal in accordance with the Issuer's instructions. If such failure occurs, the Issuer shall to the extent reasonably practicable assign to the Redeeming Securityholder its claims in respect of such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be Redeemed and the Securityholder shall have no further claims in respect of such Redemption against the Issuer or the Secured Property.

7.8 **Metal Sale**

(a) Metal Sale will apply if:

(i) a Non-AP Securityholder elects for Metal Sale to apply in accordance with Condition 7.3(a) (*Redemption by Non-AP Securityholders*);

(ii) in the case of a Redemption by a Non-AP Securityholder, the Securityholder does not certify in the Redemption Form that it is not a Prohibited Metal Holder; or

(iii) the Metal to which the Securityholder is entitled on Redemption is not successfully delivered to the Securityholder (unless this results from the fault of the Issuer) and is not claimed by such Securityholder by the 30th calendar day after the Redemption Settlement Date (whereupon the Metal Entitlement per Security will be determined as of the first Business Day following the expiry of such 30 day period).

(b) If Metal Sale is the applicable Redemption Mechanism to the Optional Redemption of Metal Securities by one or more Securityholders, the Issuer will:

(i) give notice to the Metal Agent under the Metal Agent Agreement to sell on the Metal Sale Date an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities to be sold by Metal Sale on such Metal Sale Date; and

(ii) direct the Custodian to deliver such amount of Metal to, or to the order of, the Metal Agent on the Business Day immediately preceding the applicable Metal Sale Date equal to the Metal Entitlement in respect of the number of Metal Securities of each relevant Class to be sold by Metal Sale on such Metal Sale Date so as to sell such Metal to give effect to the Redemption.

(c) Pursuant to the terms of the Security Documents in respect of each Class, the Security in respect of the Metal described in Condition 7.8(b)(i) (*Metal Sale*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of such Metal, provided that nothing in this Condition 7.8 (*Metal Sale*) shall release the charges and other security interests over the proceeds of the sale of such Metal.

(d) The Metal Agent shall (acting as agent of the Issuer) sell the Metal in a timely fashion on the Metal Sale Date in accordance with the Metal Agent Agreement.

(e) In selling the Metal, the Metal Agent is authorised under the Metal Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the Metal Sale Date and may do so in one or more transactions.

(f) The Metal Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Metal; (ii) any other amounts properly incurred by it in connection with any such sale; and (iii) if applicable, any Over-allocated Metal Cash Proceeds, and it shall not be liable to

account for anything except the actual proceeds of any such sale received by it after such deductions.

(g) On the first Business Day following the Metal Sale Date, the Metal Agent shall notify the Issuer (and, as the case may be, the Trustee) of the Actual Redemption Sale Proceeds received in respect of any Metal that has been sold on such Metal Sale Date (and the details of each sale of Metal including the price, volume and date of each such sale).

(h) Immediately following deduction of any Taxes or other amounts in accordance with Condition 7.8(f) (*Metal Sale*), the Metal Agent shall pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account and in any event by no later than 2.00 p.m. London time (or such later time as the Issuer may agree) on the second Business Day following the Metal Sale Date. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5) (*Redemption Fee*) to each relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account.

(i) If Metal Sale applies the Securityholder of the Metal Securities being Redeemed acknowledges and agrees:

(i) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Metal Securities;

(ii) that the Issuer and the Trustee make no representations or warranties as to the price at which Metal will be sold or the amount of the proceeds of sale realised from the sale of Metal; and

(iii) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Metal Agent in respect of any sale of Metal pursuant to the Metal Agent Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be Redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

7.9 **Suspension of Redemptions**

(a) If on any Business Day (a "**Threshold Event Date**") the Determination Agent determines that the market value of the Metal Entitlement per Security has fallen to less than 300 per cent. of the Principal Amount of the Metal Securities:

(i) the Issuer may at any time after the Threshold Event Date, for so long as the Determination Agent determines that the market value of the Metal Entitlement per Security continues to be less than 300 per cent. of the Principal Amount of the Metal Securities, suspend the right to request Redemption of Metal Securities pursuant to Condition 7 (*Redemption*); and

(ii) the Issuer shall give notice convening a meeting of Securityholders to take place 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 Metal Securities to an amount which the Determination Agent determines is not less than 2 per cent. of the market value of the Metal Entitlement per Security as at the time of suspension of Redemptions, in which event the suspension will cease only if such Extraordinary Resolution is passed,

in each case, subject as provided in this Condition 7 (*Redemption*), the Issuer may at its discretion terminate any such suspension at any time.

(b) The following provisions shall apply where Redemptions have been suspended pursuant to Condition 7.9(a) (*Suspension of Redemptions*):

(A) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the relevant Programme Documents and the Securityholders in accordance with Condition 17 (*Notices*), as soon as reasonably practicable, but the failure to give any such notice shall not prevent the exercise of such discretions;

(B) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer if the Extraordinary Resolution referred to in Condition 7.9(a)(ii) (*Suspension of Redemptions*) above has not been passed; and

(C) any suspension shall not affect any Redemption pursuant to a Redemption Form confirmed as valid on a date which had passed before the suspension commenced, but any Redemption Form in respect of Metal Securities submitted or deemed to be received on a Business Day when the right to request Redemption of the Metal Securities pursuant to Condition is suspended pursuant to this Condition 7.9 (*Suspension of Redemptions*) shall be invalid.

7.10 Redemption Settlement Date

In relation to any Redemption pursuant to this Condition 7 (*Redemption*), the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Metal Sale the Redemption Settlement Date shall be the second Business Day following receipt by the Issuer in full cleared funds of the Net Redemption Sale Proceeds with respect to the Metal Sale (and if such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day).

8 COMPULSORY REDEMPTION

8.1 Issuer Call Redemption Event

The Issuer may, on giving an irrevocable notice to the relevant Securityholders in accordance with Condition 17 (*Notices*), elect to Redeem all or some only of the Metal Securities of a Class and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than 30 calendar days following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**"). In the event that the Issuer elects to Redeem only some of the Outstanding Metal Securities of a Class pursuant to an Issuer Call Redemption Notice, a pro-rata portion of each Securityholder's Metal Securities of such Class shall be subject to such Redemption.

For the purposes of Condition 8.2 (*Compulsory Redemption Events*), a Compulsory Redemption Event in the form of an "Issuer Call Redemption Event" will occur on the Compulsory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Business Day on the first following Business Day). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the relevant Programme Parties on the same date as such notice is given to the Securityholders.

8.2 Compulsory Redemption Events

Each of the following events shall be a compulsory Redemption event in respect of the Metal Securities of a Class (each a "**Compulsory Redemption Event**"):

(a) Threshold Redemption Event: if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Determination Agent) of the Metal Entitlement per Metal Security of a Class is less than 175 per cent. of the Principal Amount of such Metal Securities, the Issuer shall designate a Compulsory Redemption Date in respect of the Class of Metal Securities;

(b) Termination of appointment of Agent or Authorised Participants: if any of the Determination Agent, the Administrator, the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Metal Agent in relation to a Class of Metal Securities, the Account Bank in relation to a Class of Metal Securities or all of the Authorised Participants in relation to the Metal 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 relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Agent Redemption Event Notice;

(c) Termination of Custody Agreement: if any Custody Agreement is terminated and no replacement Custody Agreement has been entered into at the time that such termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an "**Custody Redemption Event Notice**") to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Custody Redemption Event Notice;

(d) Change in law or regulation Redemption Event: if on or after the Class 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):

(i) it has (or the Issuer reasonably expects that it will) become illegal for the Issuer to perform its obligations under the Metal Securities; or

(ii) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the Metal Securities (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),

the Issuer may give the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*) notice that the Metal Securities are to be Redeemed and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than the fifth London Business Day following the date of the relevant notice (such notice an "**Issuer Redemption Notice**");

(e) Issuer Call Redemption Event: an Issuer Call Redemption Event occurs pursuant to Condition 8.1 (*Issuer Call Redemption Event*).

Notwithstanding anything to the contrary in the Conditions or any Programme Document, if at any time following the occurrence of a Compulsory Redemption Event (the "**Initial Early Redemption Event**") an event or circumstance which would otherwise constitute or give rise to a Compulsory Redemption Event occurs (the "**Secondary Early Redemption Event**") in respect of which the Compulsory Redemption Date relating thereto occurs (or would occur) prior to the date that would have been the Compulsory Redemption Date in respect of the

Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the "**Compulsory Redemption Event**" in the Conditions and the Programme Documents shall be construed accordingly.

8.3 **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 one-fifth in number of the Metal Securities of a Class then Outstanding or if so directed by an Extraordinary Resolution of a Class of Metal Securities (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each relevant Programme Party) (such notice a "**Default Redemption Event Notice**") that such relevant Class of Metal Securities are, and they shall immediately become, due and payable:

(a) the Issuer defaults in the payment of any sum due in respect of a Class of Metal 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 a Class of Metal Securities, the Trust Deed, the Security Deed or any other Programme Document relating to that Class, 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;

(e) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Custodian in respect of that Class of Metal Securities, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(f) the Custodian in respect of that Class of Metal Securities seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets.

The Issuer will, as soon as reasonably practicable, after receipt of a Default Redemption Event Notice, give notice thereof to the applicable Securityholders of such Class.

8.4 **Compulsory Redemption for Cause**

The Issuer may, in its absolute discretion, at any time give written notice to a Securityholder that any Metal Securities of a Class held by that Securityholder are to be subject to Compulsory Redemption and specifying a Business Day (being not less than seven days and not more than fourteen days following the date of the notice) to be the Compulsory Redemption Date in respect of such Metal Securities, if the Issuer considers (in its sole discretion) (i) that such Metal Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Metal Securities, or (ii) that the ownership or holding or continued ownership or holding of those Metal Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable

opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders which it or they might not otherwise have suffered or incurred.

8.5 **Compulsory Redemption Process**

(a) If a Compulsory Redemption Date is designated in accordance with these Conditions, the Metal Securities shall be Redeemed by Metal Sale and the provisions of this Condition 8.5 (*Compulsory Redemption Process*) shall apply.

(b) The Issuer (or in the case of a Compulsory Redemption pursuant to Condition 8.3 (*Events of Default*) the Trustee acting on the Issuer's behalf) shall:

(i) no later than 8.00 a.m. on the First Compulsory Metal Sale Date and on each successive Compulsory Metal Sale Date in accordance with Condition 17 (*Notices*), publish the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date;

(ii) give notice to the Metal Agent under the Metal Agent Agreement to sell on each Compulsory Metal Sale Date an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date; and

(iii) direct the Custodian to deliver such an amount of Metal to, or to the order of, the Metal Agent on the Business Day immediately preceding the applicable Compulsory Metal Sale Date equal to the Metal Entitlement in respect of the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date so as to sell such Metal to give effect to the Redemption.

(c) Pursuant to the terms of the Security Documents in respect of each Class, the Security in respect of the Metal described in Condition 8.5(b)(ii) (*Compulsory Redemption Process*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of the Metal, provided that nothing in this Condition 8.5 (Compulsory Redemption Process) shall release the charges and other security interests over the proceeds of the sale of such Metal.

(d) Upon each Compulsory Metal Sale Date, the Metal Agent shall (acting as agent of the Issuer) sell the Metal referred to in the notice under Condition 8.5(b)(ii) (*Compulsory Redemption Process*) in a timely fashion on the applicable Compulsory Metal Sale Date in accordance with the Metal Agent Agreement.

(e) In selling such Metal, the Metal Agent is authorised under the Metal Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the applicable Compulsory Metal Sale Date and may do so in one or more transactions.

(f) The Metal Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Metal, and (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions.

(g) On the first Business Day following each Compulsory Metal Sale Date, the Metal Agent shall notify the Issuer and Trustee of the Actual Redemption Sale Proceeds received in respect of any Metal that has been sold on such Compulsory Metal Sale Date (and the details of each sale of Metal including the price, volume and date of each such sale).

(h) Immediately following deduction of any Taxes or other amounts in accordance with Condition 8.5(f) (*Compulsory Redemption Process*), the Metal Agent shall immediately pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account, as applicable, and in any event by no later than 17.00 p.m. London time (or such later time as the Issuer may agree) on the day falling one Business Day after its receipt in full of the Actual Redemption Sale Proceeds. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5 (*Redemption Fee*) to the relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account).

(i) If Metal Sale applies, the Securityholder of the Metal Securities being Redeemed acknowledges and agrees:

(i) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Metal Securities;

(ii) to, in respect of a Compulsory Redemption, notify the Issuer of the Securityholder Cash Account so as to enable payment by the Issuer of the Net Redemption Sale Proceeds;

(iii) that the Issuer and the Trustee make no representations or warranties as to the price at which Metal will be sold or the amount of the proceeds of sale realised from the sale of Metal; and

(iv) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Metal Agent in respect of any sale of Metal pursuant to the Metal Sale Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

8.6 Compulsory Redemption Settlement Date

In relation to any Compulsory Redemption, the "**Compulsory Redemption Settlement Date**" shall be the second Payment Business Day following the receipt by the Issuer in full cleared funds of the Net Redemption Sale Proceeds with respect to the Metal Sale provided that if such day is not also a Payment Business Day, the Compulsory Redemption Settlement Date will be the next Payment Business Day.

9 DISRUPTION EVENTS

9.1 Disruption Events

The Determination Agent (or, in the case of a service provider disruption in respect of the Determination Agent in accordance with Condition 9.1(b) (*Disruption Events*), the Issuer) may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to a Class of Metal Securities (each such event a "**Disruption Event**"):

(a) Metal Trading Disruption: either:

(i) trading and/or settlement in the relevant Metal is subject to a material suspension or material limitation on the over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of such Metal; or

(ii) the over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of the relevant Metal is not open for trading for any reason (including a scheduled closure); or

(iii) trading in the Metal on such over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of such Metal has been permanently discontinued or has disappeared;

(b) Service Provider Disruption: save as otherwise agreed in the relevant Programme Document(s), if any of the Determination Agent, all of the Custodian(s), the Administrator, all of the Authorised Participants, the Account Bank and/or the Metal Agent resigns or their appointment is terminated for any reason and a successor or replacement has not yet been appointed, for such time until a successor or replacement has been appointed or an Agent Redemption Event Notice has been given under Condition 8.2(b) (*Compulsory Redemption Events*) (or a Custody Redemption Event Notice has been given under Condition 8.2(c) (*Compulsory Redemption Events*)); and/or

(c) Secured Accounts Disruption: any Metal held as Secured Property with respect to a Class has been lost or is inaccessible, other than where permitted in accordance with the Conditions and the Programme Documents.

9.2 **Determination of Disruption Events and Suspension Notices**

(a) If the Determination Agent, on any day, determines that a Disruption Event has occurred or exists with respect to a Class, it may (but shall not be obliged to) on the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any request for the Subscription and/or Redemption of Metal Securities of such Class;

(ii) the settlement of any Subscription and/or Redemption of Metal Securities of such Class; and/or

(iii) any Compulsory Redemption Date (whether or not such date has yet been designated), any Compulsory Redemption Settlement Date and/or the delivery of any Metal or the payment of any amount (including any Net Redemption Sale Proceeds) in connection therewith,

to the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Custodian, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 9.2(a)(i) (*Determination of Disruption Events and Suspension Notices*) to 9.2(a)(iii) (*Determination of Disruption Events and Suspension Notices*) will be postponed and/or suspended on such Suspended Day or during such Suspension Period, as applicable (and, in determining this, the Determination Agent shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by the Issuer, any Authorised Participant and/or any other Programme Party in connection

with a subscription of Metal Securities and/or a Redemption of Metal Securities),

(such notice, a "**Suspension Notice**"). If the Suspension Notice is in respect of a Suspension Period, such period will end when the Determination Agent notifies the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Administrator that such suspension and/or postponement is over.

(b) The Determination Agent is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing on any day with respect to a Class of Metal unless a Suspension Notice has been given in respect of a Suspension Period in which case the Determination Agent's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification of the end of the Suspension Period in accordance with Condition 9.2(a)) (*Determination of Disruption Events and Suspension Notices*). The Determination Agent shall have no liability to the Issuer, the Trustee, the Security Trustee, any Custodian, any Securityholder, any Authorised Participant or any other person for any determination or non-determination that it makes in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice, give notice thereof to the Securityholders in accordance with Condition 17 (*Notices*).

9.3 **Postponement relating to the Redemption of the Metal Securities**

(a) If, in respect of a Disruption Event, the Determination Agent has specified in the related Suspension Notice that the Trade Date, Compulsory Redemption Date, Metal Sale Date and/or Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Non-Disrupted Day, provided that if no such Non-Disrupted Day has occurred on or prior to the 10th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, shall determine an appropriate method for Redeeming the Metal Securities and determining the Trade Date, Compulsory Redemption Date, Metal Sale Date and/or Redemption Settlement Date, as applicable, for the purposes of such Redemption of the Metal Securities (a "**Disrupted Redemption Method**"). For the avoidance of doubt, if any Disruption Postponable Date is postponed in accordance with this Condition 9.3(a), then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each relevant Programme Party and the relevant Securityholders of the details of such Disrupted Redemption Method in accordance with Condition 17 (*Notices*).

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Securityholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 9.3(a) (*Postponement relating to the Redemption of the Metal Securities*), of Redemption of the Metal Securities.

10 PAYMENTS, CALCULATIONS, AGENTS AND RECORDS

10.1 Payments net of Taxes

All payments or deliveries in respect of the Metal 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 or deliveries in respect of the Metal Securities, the Securityholders will be subject to such Tax or deduction and shall not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default shall occur as a result of any such withholding or deduction.

10.2 Payments

(a) Payments of Principal in respect of Definitive Securities will, subject to Condition 10.3 (*Payments subject to fiscal laws*), be made against presentation and surrender of the relevant Metal Securities at the specified office of the Issuing and 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 Metal Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a Common Depositary, Common Safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments or deliveries in respect of the Metal 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 Metal 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 Metal Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.

10.3 Payments subject to fiscal laws

All payments and/or deliveries (as applicable) in respect of the Metal Securities are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Securityholders in respect of such payments.

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 Securityholders and the Programme Parties.

10.5 Calculation by an alternative agent

If at any time after the Security in respect of a Class of Metal Securities has become enforceable pursuant to Condition 6.1 (*Enforcement of Security constituted by the Security*

Documents) and the Determination Agent does not make any calculation relating to the Metal Entitlement per Security or any Redemption amount when required pursuant to the Conditions and the Programme Documents then the Issuer will appoint an alternative agent on its behalf to make any calculation in place of the Determination Agent. Any such calculation 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. The Trustee shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, the Securityholders or any Programme Party for any calculations (or any delay or failure in making any calculation) so made and will not be obliged to make such determination itself.

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 Metal 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 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**").

(i) If the Determination Agent would, but for the operation of this Condition 10.6(b), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other 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 Security 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 or Security Document.

(ii) If the Determination Agent would, but for the operation of this Condition 10.6(b), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other 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 or Security Document which is made

by another Programme Party in accordance with the Conditions and the terms of any relevant Programme Document or Security Document.

(c) The Determination Agent has no obligation towards or relationship of agency or trust with any 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 or Security 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 Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the relevant Administration Agreement, the Determination Agency Agreement, the Issuing and Paying Agent Agreement, the Metal Agent Agreement, any Transfer Agency Agreement and/or any Registrar Agreement, as applicable, to vary or terminate the appointment of the Administrator, the Determination Agent, the Metal Agent, the Issuing and Paying Agent or any Registrar or Transfer Agent and to appoint additional or other Registrars, Transfer Agents, Administrators, Issuing and Paying Agents, Metal Agents or Determination 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 or Security Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Administrator, (ii) a Metal Agent, (iii) a Determination Agent, (iv) an Issuing and Paying Agent, and (v) such other agents as may be required by any stock exchange on which the Metal Securities may be listed, in each case, as approved by the Trustee. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 17 (*Notices*).

Pursuant to the terms of the Trust Deed, at any time after an Event of Default has occurred in relation to the Metal Securities, the Trustee may (i) by notice in writing to the Issuer, the Administrator, the Registrar, the Transfer Agent, the Metal Agent, the Issuing and Paying Agent 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 Metal Securities mutatis mutandis on the terms of the Administration Agreement, Registrar Agreement, Transfer Agency Agreement, Metal Agent Agreement, Issuing and Paying Agent Agreement or Determination Agency 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 Metal 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 6.3 (*Application of proceeds of enforcement of Security*) to discharge such liability); or (b) deliver the Metal Securities and all monies, documents and records held by them in respect of the Metal 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 Metal Securities to or to the order of the Trustee and not to the Administrator and/or the Registrar (as the case may be) with effect from the receipt of any such notice by the Issuer.

10.8 **Business day convention and non-Payment Business Days**

(a) If any date for payment in respect of any Metal 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 Business Day, then such date shall be postponed to the next day that is a Business Day.

10.9 **Records**

For so long as the Metal Securities are represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 10.9 (*Records*) means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Metal Securities) shall be conclusive evidence of the number of the Metal 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 Metal Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

10.10 **Negotiability of Global Bearer Security**

If the Metal 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 or deliverable upon Redemption or otherwise payable or deliverable 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.

10.11 **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all amounts of Metal to be delivered to the Issuer shall be rounded up to the nearest 0.01 fine troy ounce, (ii) all amounts of Metal to be delivered by the Issuer shall be rounded up to the nearest 0.01 fine troy ounce, (iii) all amounts of cash in the Relevant Currency to be paid to the Issuer shall be rounded up to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), and (iv) all amounts of cash in USD to be paid by the Issuer shall be rounded down to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), in each case as may be adjusted by the Issuer (or the Determination Agent on its behalf) from time to time, including to reflect changes in rounding conventions in the trading of the relevant Metal or payments in the Relevant Currency.

11 **RESTRICTIONS**

So long as any of the Metal Securities of any Class remain Outstanding, the Issuer shall not, without the prior written consent of the Trustee and HANetf:

(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):

(i) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some only of the Metal Securities of any Class 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 or Security Documents accordingly;

(ii) acquire and own rights, property or other assets which are to comprise Secured Property for a Class of Metal Securities issued under the Programme so as to enable it to discharge its obligations under such Class, and any relevant Programme Document or Security Document relating to such Class;

(iii) perform its respective obligations under any Metal Securities issued under the Programme, and any relevant Programme Document or Security Document entered into by it in connection with such Class, and any agreements incidental to the granting of Security relating to any such Class of Metal Securities or incidental to the issue and constitution of any Class of Metal Securities issued under the Programme;

(iv) engage in any activity in relation to the Secured Property or any other Programme Document or Security Document contemplated or permitted by the Conditions or such Programme Document or Security Document relating to any Class of Metal Securities;

(v) subject as provided in the relevant Trust Deed, the applicable Security Deed and in the Conditions relating to any Class of Metal Securities enforce any of its rights whether under the relevant Trust Deed, the applicable Security Deed, any other Programme Document, Security Document or otherwise under any agreement entered into in relation to any Class of Metal Securities or any Secured Property relating to any such Class;

(vi) 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

(vii) 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 terms of the Security granted under the Trust Deed or the applicable Security Deed and the order of priority specified in the Conditions, the Trust Deed and the applicable Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Class of Metal Securities);

(c) release any party to the relevant Trust Deed, the applicable Security Deed or any other relevant Programme Document or Security Document relating to a Class of Metal Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Class of Metal Securities);

(d) have any subsidiaries;

(e) sell, transfer or otherwise dispose of any assets that are the subject of the Security constituted by the Trust Deed or each relevant Security Deed or any other part of the Secured Property in respect of any Class of Metal Securities or Secured Property 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 Metal Securities of any such Class, the Metal Agent Agreement, the relevant Trust Deed for any such Class, the applicable Security Deed and any other Programme Document relating to any such Class as may be applicable;

(f) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of any of the Conditions, the relevant Trust Deed, any Security Deed or any other Programme Document or Security Document relating to any Class of Metal Securities (other than as contemplated or permitted by the Conditions and the relevant Programme Documents or Security 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 relevant Trust Deed, any Security Deed and the Conditions for any Class of Metal Securities);

(h) have any employees;

(i) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation) 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 Class of Metal Securities, a Custody Agreement, any Secured Property relating to a Class of Metal Securities or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Security Trustee, so as to form part of the relevant Secured Property relating to such Class of Metal 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, Security Document, the Conditions relating to a Class of Metal Securities, and/or the agreements contemplated by Condition 11(f) (*Restrictions*) 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 Class of Metal 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 (*Security*) and 16 (*Issue of Further Tranches and Classes of Metal Securities*)) issuing further Metal Securities under the Programme (which may or may not form a single Class with the Metal Securities of any Class and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such Metal Securities, provided that:

(i) if such further Metal Securities are not to form a single Class with any other Class of Metal Securities, such further Metal 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 relevant Trust Deed relating to any other Class of Metal Securities, and (ii) the Issuer's share capital; and

(ii) such further Metal Securities and obligations are secured *pari passu* upon the assets which are the subject of the Security constituted by the relevant Security Document relating to the Class of Metal Securities with which such Metal Securities are to form a single Class, all in accordance with Condition 16 (*Issue of further Tranches and Classes of Metal Securities*) of the relevant Class of Metal Securities,

provided that the Issuer shall not take any action (even where the prior written consent of the Trustee and HANetf 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.

12 PRESCRIPTION

Claims against the Issuer for payment under the Conditions in respect of the Metal 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 Metal 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 7 days after that on which notice is duly given to the Securityholders that, upon further presentation of the 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 Metal 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.

13 ENFORCEMENT

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, direct the Security Trustee to 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 Metal Securities against the Issuer whether the same arise under general law, the Trust Deed or the Metal Securities, any other relevant 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 or in writing by holders of at least one-fifth in number of the Metal Securities then Outstanding and it shall have been secured and/or pre-funded and/or indemnified to its satisfaction. Each Class of Securityholders shall act independently in directing the Trustee to take such action as set out in this Condition 13 (*Enforcement*), and any action so taken by the Trustee shall relate only to the right of the Securityholders of such applicable Class of Metal Securities.

None of the holders of the Metal Securities shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the Security Deed, fails or is unable to do so within 60 days following such direction and provision of prefunding and/or security and/or indemnity neglects to do so within a reasonable time and such failure is continuing.

None of the Secured Parties shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the applicable Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

The Securityholders acknowledge and agree that only the Security Trustee, may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Trust Deed and each relevant Security Deed.

The Security Trustee shall not be required to take any action in relation to the Security constituted by any Security Deed 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 SECURITYHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RESTRICTIONS

14.1 Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of the Securityholders to each Class of Metal Securities to consider any matter affecting their interests, including modification by Extraordinary Resolution of the relevant class of Metal Securities (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such Class of Metal Securities).

The quorum at any such meeting for passing an Extraordinary Resolution will be two or more Securityholders of the relevant Class of Metal Securities of the relevant Class of Metal Securities or agents present in person holding or representing in the aggregate more than 50 per cent. of the number of the Metal Securities of such Class for the time being outstanding or, at any adjourned such meeting, two or more Securityholders of the relevant Class of Metal Securities or agents present in person being or representing Securityholders of such Class, whatever the number of the Metal Securities of such class so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, of such class whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or Redemption of the Metal Securities of such Class, (ii) to reduce or cancel the Principal Amount payable on Redemption of, the Metal Securities of such Class, (iii) to change any method of calculating the Net Redemption Sale Proceeds or Metal Entitlement per Security, (iv) to change the currency or currencies of payment or Principal Amount of the Metal 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 Securityholders of such Class 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, or an applicable relevant Security Deed, will only be binding if passed at a meeting of the Securityholders of such Class, the quorum at which shall be two or more Securityholders of the relevant such Class of Metal Securities or agents present in person holding or representing in the aggregate not less than 75 per cent. of the number of Metal Securities of the relevant such Class of Metal Securities for the time being outstanding, or at any adjourned meeting, two or more Securityholders of such Class or agents present in person being or representing in the aggregate not less than 10 per cent. of the number of the Metal Securities of such Class so held or represented (provided that at an adjourned meeting convened for the purpose of reducing the Principal Amount of the Metal Securities following a Threshold Event Date, the quorum shall be two or more Securityholders of the relevant Class of Metal Securities or agents whatever the number of Metal Securities so held or represented). The holder of a Bearer Security or Registered Security in global form representing all of the Metal 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 Metal Securities of the relevant Class of Metal Securities for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Securityholders of such Class.

14.2 **Modification of the relevant Programme Documents and Security Documents**

a) Subject to Condition 14.3(f) (*Substitution*), each of the Trustee and the Security Trustee may agree, without the consent of the Securityholders, to (i) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee or, as applicable, the Security Trustee is a party which is, in the opinion of the Trustee or, as applicable, the Security Trustee, of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme, (ii) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee or, as applicable, the Security Trustee is a party which is made in connection with the accession of a new Authorised Participant to the Programme (an "**AP Modification**") provided that the Issuer has certified in writing to the Trustee or, as applicable, the Security Trustee that any such modification is (a) in its opinion not materially prejudicial to the interests of any Class of Securityholder, and (b) has been drafted solely for the purposes of an AP Modification upon which certification the Trustee and/or, as applicable, the Security Trustee may rely without any obligation to investigate or verify or form its own opinion, and (iii) 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 or, as applicable, the Security Trustee is a party that is in the opinion of the Trustee or, as applicable, the Security Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee or, as applicable, the Security Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 17 (*Notices*) as soon as reasonably practicable.

b) Without prejudice to 14.2(a)(ii), the Issuer may agree without the consent of the Trustee and the Security Trustee to enter into an Authorised Participant Agreement with a new Authorised Participant.

14.3 **Substitution**

The Trustee may, without the consent of the Securityholders, but subject to the prior consent of each Authorised Participant, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Trust Deed, the other Programme Documents or Security Documents to which it is a party and the Metal Securities of each Class, of any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"), if the following conditions are satisfied:

(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 Trust Deed, any Security Deed and the Metal Securities of each Class (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, each Security Deed and the Metal 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 Trust Deed and any Security Deed and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;

(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 Metal Securities of each Class and any Programme Document and Security 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 each relevant 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 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 Metal Securities, agree to a change of the law from time to time governing such Metal Securities and/or the Supplemental Trust Deed and/or the Trust Deed and/or any Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders;

(g) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the 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 (*Substitution*) and the Trust Deed will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Metal Securities and the other relevant Programme Documents and Security Documents. The Substituted Obligor shall give notice of the substitution to the Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 14.3 (*Substitution*) and the Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Metal Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Metal Securities shall be deemed to be amended as necessary to give effect to the substitution.

14.4 **Entitlement of the Trustee and Security 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 to the interests of the Securityholders as a Class and will not have regard to the consequences of such exercise for individual Securityholders and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon individual Securityholders.

So long as the Metal Securities are in global form and such Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

14.5 **Prohibition on U.S. persons**

Metal 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 Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal 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 Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of the Metal Entitlement per Security prevailing at the time such transfer is voided. Terms used in this Condition 14.5 (*Prohibition on U.S. persons*) have the meanings given to them by Regulation S under the Securities Act.

14.6 **ERISA prohibition**

Metal 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 Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal 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 Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of the Metal Entitlement per Security 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 METAL SECURITIES

If a Metal 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 Agent as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Metal 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 Metal Security) and otherwise as the Issuer may require. Mutilated or defaced Metal Securities must be surrendered before replacements will be issued.

16 ISSUE OF FURTHER TRANCHES AND CLASSES OF METAL SECURITIES

16.1 **Further Tranches and Classes**

Subject to Condition 6 (*Security*), the Issuer may, from time to time (without the consent of the Trustee or any 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 Metal Securities in all respects and so that such further issue shall be consolidated and form a single Class with the Metal 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 Metal Securities by delivering a valid Subscription Form subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

The Issuer will only accept a Subscription Form and issue Metal Securities if:

(a) a Subscription Form is determined to be valid by or on behalf of the Issuer;

(b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Metal Securities to be exceeded; and

(c) all conditions precedent to an issue of the Metal Securities (including, without limitation, payment of the Subscription Fee) are satisfied.

In any event, the Issuer is entitled to reject any Subscription Form at any time, at its absolute discretion.

Without prejudice to Condition 9 (*Disruption Events*), the Issuer may suspend the issuance of further Metal Securities at any time. If a Subscription Suspension Event occurs, the Issuer shall not accept any Subscription Forms for the Metal 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 Metal Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Business Day following the date of such notice. The Issuer shall give notice to Securityholders in accordance with Condition 17 (*Notices*) of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

In relation to any Subscription Form 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 Form shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.

In relation to any Subscription Form which is valid but in respect of which the Metal Securities are pending issue and settlement to the relevant Authorised Participant as at the Compulsory 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 Form shall automatically be cancelled with effect from such Compulsory 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 delivered the related Subscription Amount a Compulsory Redemption Event occurs or an Event of Default Redemption Notice is delivered, the Metal 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 Compulsory Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). Metal Securities requested for issue and Subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.

Any new securities forming a single Class with the Metal Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Deed relating to such Class will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Deed without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of Metal 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 Parties**", "**Secured Property**", "**Secured Liabilities**" and "**Metal Securities**" shall be construed accordingly.

16.2 **Consolidation and division of Tranches and Classes**

The Issuer may consolidate or divide all of the Metal Securities into Metal Securities of the same Class but with a proportionately larger or smaller Principal Amount and Metal Entitlement (if applicable). Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Deed.

Whenever as a result of consolidation of Metal Securities a Securityholder would become entitled to a fraction of a Metal Security the Issuer will Redeem such fractional Metal Security.

17 NOTICES

17.1 All notices to holders of Metal Securities shall be valid if:

(a) they are 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; or

(b) for so long as the Metal 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; or

(c) for so long as the Metal Securities are in global form, notices required to be given in respect of the Metal 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 Metal Securities on the Payment Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

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 or the Agents 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 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Metal Securities under the Contracts (Rights of Third Parties) Act 1999 but that does not affect any right or remedy of a third party that exists or is available apart from that Act.

20 GOVERNING LAW AND JURISDICTION

20.1 **Governing law**

The Trust Deed, each relevant Security Deed and the Metal Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

20.2 **Jurisdiction**

The courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Metal Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Metal Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

21 **SERVICE OF PROCESS**

The Issuer irrevocably appoints HAN ETF Limited of 107 Cheapside, London EC2V 6DN as its process agent to receive, for it and on its behalf, service of process in any Proceedings in England. Service of process on such process agent shall be deemed valid service upon the Issuer whether or not it is forwarded to and received by the Issuer. The Issuer shall inform the Trustee in writing of any change in its process agent's address within 28 calendar days of such change. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the Trustee and to deliver to it a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days. The Issuer: (a) agrees to procure that so long as any of the Metal Securities remain liable to prescription, there shall be in force an appointment of such person approved by the Trustee with an office in London with authority to accept service as aforesaid, and (b) agrees that nothing in the Conditions or the Trust Deed shall affect the right to serve process in any other manner permitted by law.

ANNEX

Supplemental Terms and Conditions of FX Hedged Metal Securities

The following is the text of the additional terms and conditions which apply to each Class or Tranche of FX Hedged Metal Securities.

The provisions in this Annex are the additional terms and conditions (the "**FX Hedge Additional Conditions**") that will apply to the relevant Class or Tranche of FX Hedged Metal Securities. The Conditions of a Class of FX Hedged Metal Securities will comprise (i) the General Conditions, (ii) these FX Hedge Additional Conditions and (iii) the Final Terms applicable thereto. In the case of any inconsistency between these FX Hedge Additional Conditions and the General Conditions, these FX Hedge Additional Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these FX Hedge Additional Conditions or the General Conditions under Section 12 - Terms and Conditions of Metal Securities unless the context otherwise requires or unless otherwise stated. References in these FX Hedge Additional Conditions to "FX Hedged Metal Securities" are to the FX Hedged Metal Securities, as the case may be, of the relevant Class only, not to all FX Hedged Metal Securities that may be issued under the Programme.

1 **DEFINITIONS**

1.1 **Definitions**

"**Business Day**" means, in respect of any FX Hedged Metal Securities, a day which is a Scheduled Valuation Day. For the avoidance of doubt, this definition supersedes the definition of "Business Day" in General Condition 1.1 (*Definitions*) under Section 13 - Terms and Conditions of Metal Securities.

"**CHF**" means Swiss Francs.

"**Compulsory Redemption Event**" means, in respect of any FX Hedged Metal Securities, any such event set out in General Condition 8.2 (*Compulsory Redemption Events*) and Additional Condition 4 (*Compulsory Redemption – Termination of the FX Hedge Agreements*). For the avoidance of doubt, this definition supersedes the definition of "Compulsory Redemption Event" in General Condition 1.1 (*Definitions*) under Section 13 - Terms and Conditions of Metal Securities.

"**Custody Agreements (FX Hedge)**" means, in respect of any FX Hedged Gold Securities, the Secured Unallocated Gold Custody Agreement (FX Hedge) and the Secured Allocated Gold Custody Agreement (FX Hedge).

"**Event of Default**" mean, in respect of any FX Hedged Metal Securities, any such event set out in General Condition 8.3 (*Events of Default*) and Additional Condition 5 (*Event of Default – Failure to Pay under the ISDA Master Agreement*). For the avoidance of doubt, this definition supersedes the definition of "Event of Default" in General Condition 1.1 (*Definitions*) under Section 13 - Terms and Conditions of Metal Securities.

"**Final Terms**" means, in respect of any FX Hedged Metal Securities, the final terms specifying the relevant issue details of the Metal Securities.

"**FX Forward Adjustment**" means such level as determined by the FX Hedge Counterparty having regard to available market data, or as determined by the FX Hedge Counterparty acting commercially reasonably and in good faith where such market data is not available or where available market data does not, in the determination of the FX Hedge Counterparty, fairly represent forward points levels in the foreign exchange market for the Relevant Currency. The current FX Forward Adjustment is specified in the Final Terms and any updated FX Forward Adjustment is published on the Issuer's website from time to time.

"**FX Forward Purchase**" means, in respect of a Class of FX Hedged Metal Securities, the notional forward purchase of the Relevant Currency entered into between the Issuer and the FX Hedge Counterparty pursuant to the FX Hedge Agreements.

"FX Forward Reference Level", in respect of any calendar day, is the forward rate at the FX Hedge Time and is determined as follows: (i) for any decrease (increase) in the FX Notional (as the case may be), adjusting the FX Spot Change Reference Level, and (ii) for the unchanged part of the FX Notional adjusting the FX Spot Roll Reference Level, each with the FX Hedge Expense and the FX Forward Adjustment as of the relevant Scheduled Valuation Day to revise the settlement date forward by one Scheduled Valuation Day. For the avoidance of doubt, as per standard market convention, the rate is quoted in the convention of USD to the Relevant Currency for the EUR hedged and GBP hedged ETC securities and quoted in the convention of the Relevant Currency to 1 USD for the CHF hedged ETC securities.

"**FX Forward Sale**" means, in respect of a Class of FX Hedged Metal Securities, the notional forward sale of the Metal Currency entered into between the Issuer and the FX Hedge Counterparty pursuant to the FX Hedge Agreements.

"**FX Hedge**" means, in respect of a Class of FX Hedged Metal Securities, the FX Forward Purchase and the FX Forward Sale.

"**FX Hedge Counterparty**" means HSBC Bank plc and any successor or replacement thereto or any other entity appointed by the Issuer as FX Hedge Counterparty.

"**FX Hedge Expense**" has the meaning given to it in FX Hedge Additional Condition 2.6 (*FX Hedge Expense*).

"**FX Hedge Disruption**" has the meaning given to it in FX Hedge Additional Condition 6 (*Disruption Events – FX Hedge Disruption*).

"**FX Hedged Gold Securities**" means The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities.

"**FX Hedge Agreements**" means, in respect of a Class of FX Hedged Metal Securities, the FX Overlay Agreement and the ISDA Master Agreement.

"**FX Hedge Redemption Event Notice**" has the meaning given to it in FX Hedge Additional Condition 4 (*Compulsory Redemption – Termination of FX Hedge Agreements*).

"**FX Hedge Time**" means such time as specified in the Final Terms.

"**FX Hedged Metal Securities**" means, in respect of a Class of Metal Securities, that the Metal Entitlement per Security is hedged against movements in the exchange rate between the Relevant Currency of such Class and the Metal Currency.

"**FX Notional Calculation Time**" means such time as specified in the Final Terms.

"**FX Overlay Agreement**" means the FX overlay agreement dated 26 September 2024 between the Issuer and the FX Hedge Counterparty, as amended, supplemented, novated or replaced from time to time.

"**FX Spot Reference Level**" means, in respect of a Scheduled Valuation Day, the currency exchange rate displayed on the FX Spot Reference Level Source for the time specified in the relevant Final Terms on such Scheduled Valuation Day as being the rate for the exchange of an amount of the Relevant Currency per one unit of the Metal Currency (or, if the currency exchange rate is expressed as the rate for the exchange of an amount of the Metal Currency per one unit of the Relevant Currency, the inverse of such rate). The FX Spot Reference Level

is observed (i) for the purposes of the FX Notional Calculation, at the FX Notional Calculation Time, and (ii) for the purposes of determining the FX profit pr loss, at the FX Hedge Time.

"**FX Spot Reference Level Source**" means such source as specified in the Final Terms.

"**GBP**" means British Pound.

"**Gold Dealing Charge**" means on average such level as specified in the Final Terms.

"**ISDA Master Agreement**" means, in respect of a Class of FX Hedged Metal Securities, the 2002 ISDA Master Agreement (including its Schedule) relating to such Class dated 26 September 2024, together with each confirmation evidencing any transaction relating to such Class, between the Issuer and the FX Hedge Counterparty, as amended, supplemented, novated or replaced from time to time.

"**Metal Currency**" means, in respect of a Metal, the currency in which the price of such Metal is denominated and, unless otherwise specified in Final Terms, shall be USD.

"**Metal Entitlement per Security**" has, in respect of a Class of FX Hedged Metal Securities, the meaning given to it in FX Hedge Additional Condition 2 (*Metal Entitlement per Security – FX Hedged Metal Securities*).

"**Metal Price Fixing Time AM**" means such time as specified in the Final Terms.

"**Metal Price Fixing Time PM**" means such time as specified in the Final Terms.

"**Metal Reference Price Source**" means such source as specified in the Final Terms.

"**Notice Deadline**" means, in respect of any FX Hedged Metal Securities, 1.00 p.m. (London time), provided that the Notice Deadline in respect of any Class of FX Hedged Metal Securities may be adjusted by agreement between the Issuer and the Custodian with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with General Condition 17 (*Notices*). For the avoidance of doubt, this definition supersedes the definition of "Notice Deadline" in General Condition 1.1 (*Definitions*) under Section 13 - Terms and Conditions of Metal Securities.

"**Original Relevant Data**" means, in relation to a Scheduled Valuation Day, any Relevant Data first used by the FX Hedge Counterparty on such Scheduled Valuation Day.

"**Programme Document**" means, in respect of any FX Hedged Metal Securities, each of the Trust Deed, the Determination Agency Agreement, the Administration Agreement, each Metal Agent Agreement, each Custody Agreement (FX Hedge), each Security Document, each Issuing and Paying Agency Agreement, the FX Hedge Agreements and each Authorised Participant Agreement and "**Programme Documents**" means all such documents.

"**Relevant Data**" means all relevant data required by the FX Hedge Counterparty in connection with the FX Hedge transactions.

"**Revised Relevant Data**" means, in relation to a Scheduled Valuation Day and Relevant Data provided to the FX Hedge Counterparty on such Scheduled Valuation Day, any Relevant Data that is not Original Relevant Data.

"**Scheduled Valuation Day**" means (a) a London Business Day; and (b) any day on which the Metal Reference Price is scheduled to be published at the Metal Price Fixing Time PM by the Metal Price Reference Source; and (c) any day on which the FX Spot Reference Level is scheduled to be published at the FX Notional Calculation Time and the FX Hedge Time by the FX Spot Reference Level Source; and (d) any day that is a Non-Disrupted Day.

"**Secured Accounts (FX Hedge)**" means, in respect of any FX Hedged Gold Securities, the Secured Allocated Gold Account (FX Hedge) and the Secured Unallocated Gold Account (FX Hedge), and "**Secured Account (FX Hedge)**" shall be construed accordingly.

"**Secured Allocated Account (FX Hedge)**" means, in respect of any FX Hedged Gold Securities, the Secured Allocated Gold Account (FX Hedge).

"**Secured Allocated Gold Account (FX Hedge)**" means the allocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Allocated Gold Custody Agreement (FX Hedge).

"**Secured Allocated Gold Custody Agreement (FX Hedge)**" means the secured allocated gold custody agreement dated 26 September 2024 between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator, as amended, supplemented, novated or replaced from time to time.

"**Secured Unallocated Account (FX Hedge)**" means, in respect of any FX Hedged Gold Securities, the Secured Unallocated Gold Account (FX Hedge).

"**Secured Unallocated Gold Account (FX Hedge)**" means the unallocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Unallocated Gold Custody Agreement (FX Hedge).

"**Secured Unallocated Gold Custody Agreement (FX Hedge)**" means the secured unallocated gold custody agreement dated 26 September 2024 between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator, as amended, supplemented, novated or replaced from time to time.

"**The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities**" means the Class of FX Hedged Metal Securities of that name denominated in CHF and backed by physical responsibly sourced gold held in a Secured Allocated Gold Account (FX Hedge).

"**The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities**" means the Class of FX Hedged Metal Securities of that name denominated in EUR and backed by physical responsibly sourced gold held in a Secured Allocated Gold Account (FX Hedge).

"**The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities**" means the Class of FX Hedged Metal Securities of that name denominated in GBP and backed by physical responsibly sourced gold held in a Secured Allocated Gold Account (FX Hedge).

"**Total Expenses Ratio**", in respect of any FX Hedged Metal Securities, has the meaning given to it in FX Hedge Additional Condition 2.5 (*Total Expenses Ratio*).

1.2 **Interpretation**

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

(a) headings to any Conditions, paragraphs and other provisions of these FX Hedge Additional Conditions shall not affect the interpretation of these FX Hedge Additional Conditions;

(b) any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity;

(c) words in the singular shall also include the plural and *vice versa*;

(d) any reference to these FX Hedge Additional Conditions or to any agreement or document includes a reference to these FX Hedge Additional Conditions or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time;

(e) any reference to a statute, statutory provision, regulation, directive or rule of any regulatory authority shall, unless the context otherwise requires, be construed as a reference to such statute, statutory provision, regulation, directive or rule as the same may from time to time be amended, modified, extended, consolidated, re-enacted or replaced; and

(f) unless otherwise indicated, any reference in these FX Hedge Additional Conditions to a time is a reference to the prevailing time in London, England.

2 METAL ENTITLEMENT PER SECURITY – FX HEDGED METAL SECURITIES

Notwithstanding anything to the contrary in General Condition 2 (*Metal Entitlement per Securities*), the following provisions shall apply to each Class or Tranche of FX Hedged Metal Securities:

2.1 Calculation and publication of Metal Entitlement per Security

The Administrator shall determine the Metal Entitlement per Security in respect of each calendar day and each Class of FX Hedged Metal Security, and the Issuer shall publish such Metal Entitlement per Security in respect of each calendar day during the term of the FX Hedged Metal Securities on the Issuer's Website up to (and including) the Compulsory Redemption Date in respect of all of the Outstanding Metal Securities of such Class.

2.2 Initial Metal Entitlement per Security

As at the Issue Date of the Initial Tranche of the FX Hedged Metal Securities of a Class, such Class shall have a Metal Entitlement per Security of 0.01 fine troy ounce of gold.

2.3 Calculation of Metal Entitlement per Security

Subject to Additional Condition 2.2 (*Initial Metal Entitlement per Security*) and Additional Condition 2.4 (*Relevant Data*), the Metal Entitlement per Security on a calendar day shall be an amount of Metal per Metal Security (calculated to nine decimal places with 0.0000000005 fine troy ounces (in case of gold) rounded upwards, and subject to a floor of zero) calculated by the Determination Agent as follows for each class of Metal Security:

$$ME_{(t)} = [\ ME_{(t-1)} \times (1 - TER_{(t)})^{n/N}\ ] + (\ FX_PnL_{(t)} / P_{(t_PM)}\ )$$

where:

"t" means the Scheduled Valuation Day (with t-1 being the immediately preceding Scheduled Valuation Day);

"$ME_{(t)}$" means the Metal Entitlement per Security in respect of the Scheduled Valuation Day;

"$ME_{(t-1)}$" means the Metal Entitlement per Security in respect of the immediately preceding Scheduled Valuation Day;

"$TER_{(t)}$" means the Total Expense Ratio as of the Scheduled Valuation Day, expressed as a decimal;

"$P_{(t_PM)}$" means the Metal Reference Price at the Metal Price Fixing Time PM on the relevant Scheduled Valuation Day, adjusted (if applicable) for the Gold Dealing Charge;

"N" means 365 (or 366 when the relevant calendar day is in a leap year); and

"n" means the number of calendar days between (and excluding) the current Scheduled Valuation Day and (including) the immediately preceding Scheduled Valuation Day.

The FX profit or loss per security is defined in the Metal Currency such that:

$$FX_PnL_{(t)} = [\ FX_Notional_{(t-1)} / SO_{(t-1)} \times (\ S_{(t_FHT)} / F_{(t-1_FHT)} - 1\ )\ ] * F_{(t-1_FHT)}$$

where:

"$SO_{(t-1)}$" means securities outstanding and net validated orders (Total Number of Securities for which Subscription Orders have been validated and accepted less Total Number of Securities for which Redemption Orders have been validated and accepted) in respect of the immediately preceding Scheduled Valuation Day;

"$S_{(t_FHT)}$" means the FX Spot Reference Level observed at the FX Hedge Time in respect of the relevant Scheduled Valuation Day; and

"$F_{(t-1_FHT)}$" means the applicable FX Forward Reference Level determined at the FX Hedge Time in respect of the Scheduled Valuation Day immediately preceding the relevant Scheduled Valuation Day.

The FX Notional is calculated in the Relevant Currency as follows:

$$FX_Notional_{(t)} = SO_{(t)} \times ME_{(t-1)} \times (1 - TER_{(t-1)})^{n/N} \times P_{(t_AM)} / S_{(t_FNCT)}$$

where:

"$P_{(t_AM)}$" means the Metal Reference Price at the Metal Price Fixing Time AM in respect of the Scheduled Valuation Day; and

"$S_{(t_FNCT)}$" means the FX Spot Reference Level observed at the FX Notional Calculation Time in respect of the relevant Scheduled Valuation Day.

Any values, term, formula or other input (direct or indirect) necessary for the purposes of this Additional Condition 2.3 may be rounded to such number of decimal places as may be specified by the Issuer (or the Determination Agent on its behalf) from time to time in order to reflect prevailing market convention.

2.4 **Relevant Data**

The Metal Entitlement per Security shall be calculated in accordance with Additional Condition 2.3 (*Calculation of Metal Entitlement per Security*) by reference to the Relevant Data. The Securityholders agree and acknowledge that:

(a) if the FX Hedge Counterparty does not receive certain Relevant Data (such as the number of the relevant Class of FX Hedged Metal Securities outstanding and the net amount of validated orders received but not yet settled) by the required time on a Scheduled Valuation Day, the FX Hedge Counterparty will extend or renew the FX Hedge transactions by reference to certain Relevant Data relating to the previous Scheduled Valuation Day;

(b) if the Original Relevant Data provided to the FX Hedge Counterparty is subsequently revised by the relevant data source, the corresponding Revised Relevant Data may be provided to the FX Hedge Counterparty. In the event that the Revised Relevant Data is provided to the FX Hedge Counterparty after the instruction for any FX Hedge transactions has been given on the basis of the Original Relevant Data, the FX Hedge Counterparty will execute the relevant FX Hedge transactions on the basis of the Original Relevant Data instead of the Revised Relevant Data; and

(c) in cases where each of the Issuer and the FX Hedge Counterparty independently confirms the Relevant Data, such data shall be deemed to be correct and accurate in all respects and will constitute the Original Relevant Data. If any relevant data is subsequently identified by either such party to be incorrect or inaccurate, the Original Relevant Data (and the FX Hedge Transactions executed on the basis of such data) will continue to stand.

If any of such circumstances set out in paragraphs (a), (b) and (c) above occur, the Issuer (or any other Programme Party) shall not be under any obligation to revise any calculations in connection with the Metal Entitlement per Security (including any of the components set out in the formula in Additional Condition 2.3 (*Calculation of Metal Entitlement per Security*)).

2.5 **Total Expenses Ratio**

(a) The "**Total Expense Ratio**" is the rate per annum specified as such in the Final Terms in respect of each Class of FX Hedged Metal Securities. The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of FX Hedged Metal Securities for that Class.

(b) The Total Expense Ratio shall cease to apply to a Class of FX Hedged Metal Securities on the Compulsory Redemption Date relating to such Class.

(c) The Issuer may vary the Total Expense Ratio in respect of a Class provided that no increase in the Total Expense Ratio in respect of a Class will take effect unless the Securityholders of such Class have been given at least 30 calendar days' prior notice in accordance with General Condition 17 (*Notices*).

(d) The Issuer shall publish the Total Expense Ratio in respect of each Class of FX Hedged Metal Securities from time to time on the Issuer's Website.

2.6 **Total Expense Ratio Metal**

Any accrued Metal representing the reduction in the Metal Entitlement per Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account (FX Hedge) to the Metal Agent in accordance with the relevant Custody Agreement (FX Hedge) and will be sold, and its proceeds paid to the order of the Issuer, in accordance with the Metal Agent Agreement.

2.7 **FX Hedge Expense**

(a) The "**FX Hedge Expense**" is the Issuer's costs and expenses (including any applicable fees) incurred from its entry into the FX Hedge with the FX Hedge Counterparty as calculated by reference to the rate per day charged by the FX Hedge Counterparty. The FX Hedge Expense in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security.

(b) The FX Hedge Expense shall cease to apply to a Class of FX Hedged Metal Securities on the Compulsory Redemption Date relating to such Class.

(c) The applicable FX Hedge Expense for each Class (i) as at the Issue Date of the relevant Tranche shall be set out in the Final Terms of such Tranche and (ii) thereafter, shall be such rate per day as may be charged by the FX Hedge Counterparty from time to time. The Issuer shall not be under any obligation to notify the Securityholders of any variation of the FX Hedge Expense.

2.8 **FX Hedge Metal Transfer**

Any Metal representing (i) the increase or reduction in the Metal Entitlement per Security due to the daily gains or losses of the FX Hedge and (ii) the reduction in the Metal Entitlement per Security due to the daily application of the FX Hedge Expense will be transferred to or from the relevant Secured Account (FX Hedge) from or to the Metal Agent in accordance with the relevant Custody Agreement (FX Hedge) and the FX Hedge Agreements.

3 **SECURITY**

3.1 **Security and Secured Property**

(a) In respect of the FX Hedged Metal Securities of a Class, the Issuer will grant Security pursuant to the Security Documents. Subject to the terms of such Security Documents, the Issuer will (without limitation) assign to the Security Trustee for the benefit of the Secured Parties by way of security:

(i) all its rights in respect of the Secured Accounts (FX Hedge) in which the relevant amount of Metal relating to such Class is held; and

(ii) all its rights under the FX Hedge Agreements,

in each case to the extent the rights relate to such Class.

(b) In respect of the FX Hedged Gold Securities of a Class, the Issuer will procure that (i) the Metal relating to all Classes of the FX Hedged Gold Securities be held in the same Secured Accounts (FX Hedge) and (ii) the books and records of the Custodian evidence the amount of Gold (expressed in fine troy ounces) held in the Secured Accounts (FX Hedge) relating to such Class, subject to the Security constituted by the applicable Security Documents. For the avoidance of doubt:

(i) separate Secured Accounts (FX Hedge) will not be opened or maintained by the Custodian with respect to each individual Class of the FX Hedged Gold Securities;

(ii) the Secured Accounts (FX Hedge) with respect to the FX Hedged Gold Securities will be segregated from Metal relating to any other Class of Metal Securities; and

(iii) the relevant Security Documents will constitute Security in relation to the relevant Class of the FX Hedged Gold Securities.

3.2 **Application of proceeds of enforcement of Security**

Notwithstanding anything to the contrary in General Condition 6.3 (*Application of proceeds of enforcement of Security*), pursuant to the terms of the Trust Deed, the Trustee will apply any amounts received or recovered under the applicable Trust Deed and 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) in relation to the FX Hedged Metal Securities (which Security, for the avoidance of doubt, shall be constituted and enforceable in respect of the relevant Class of the FX Hedged Metal Securities) as follows:

(a) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(b) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the FX Hedged Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the 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);

(c) third, in payment of any amounts owing to the FX Hedge Counterparty under the FX Hedge Agreements;

(d) fourth, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(e) fifth, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and

(f) sixth, in payment of any balance to the Issuer for itself.

4 COMPULSORY REDEMPTION – TERMINATION OF FX HEDGE AGREEMENTS

In addition to the events set out in General Condition 8.2 (*Compulsory Redemption Events*) each of the following events shall be a Compulsory Redemption Event in respect of the FX Hedged Metal Securities of a Class for the purposes of such condition:

(a) if the FX Overlay Agreement is terminated for any reason; or

(b) if an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding transactions relating to such Class has been designated or deemed to have been designated by the Issuer or the FX Hedge Counterparty, as applicable, under the ISDA Master Agreement for such Class for any reason,

provided that in each case no replacement arrangement has been entered into at the time that such termination takes effect. If the Issuer gives notice (an "**FX Hedge Redemption Event Notice**") to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), unless otherwise specified in the FX Hedge Redemption Event Notice, a Compulsory Redemption Date will occur on the fifth Business Day after the date of the FX Hedge Redemption Event Notice.

If the FX Hedged Metal Securities of a Class are Redeemed in accordance with General Condition 8.5 (*Compulsory Redemption Process*) following the occurrence of a Compulsory Redemption Event specified above, the Issuer (or the Metal Agent on its behalf) shall be permitted to deduct any termination amount payable to the FX Hedge Counterparty under the FX Hedge Agreements from (or include any termination amount payable to the Issuer under the FX Hedge Agreements as part of) the Actual Redemption Sale Proceeds. For the purposes of General Condition 8.5(i), the Securityholder of such FX Hedged Metal Securities being Redeemed acknowledges and agrees that the Net Redemption Sale Proceeds shall be determined accordingly.

5 EVENT OF DEFAULT – FAILURE TO PAY OR DELIVER UNDER THE ISDA MASTER AGREEMENT

In addition to the events set out in General Condition 8.3 (*Events of Default*), in respect of the FX Hedged Metal Securities of a Class, (a) the designation by the FX Hedge Counterparty (as the non-defaulting party) of an Early Termination Date (as defined in the ISDA Master Agreement) in respect of all outstanding transactions relating to such Class following the occurrence of an event of default under Section 5(a)(i) (*Failure to Pay or Deliver*) of the ISDA Master Agreement (in respect of which the Issuer is the defaulting party following the end of any applicable grace period specified in the ISDA Master Agreement) or (b) the failure of the Issuer to pay an Early Termination Amount (as defined in the ISDA Master Agreement) under Section 6(d) (*Calculations; Payment Date*) of the ISDA Master Agreement shall constitute an Event of Default.

If such Event of Default occurs, the Trustee at its discretion may, or will if so directed in writing by (i) the FX Hedge Counterparty (on whose direction the Trustee may rely without any obligation to investigate or verify the authenticity of the sender or the contents of such direction) or (ii) if so directed by holders of at least one-fifth in number of the Metal Securities of a Class then Outstanding or (iii) if so directed by an Extraordinary Resolution of a Class of Metal Securities (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each relevant Programme Party) (such shall constitute a Default Redemption Event Notice) that such relevant Class of Metal Securities are, and they shall immediately become, due and payable.

The Issuer will, as soon as reasonably practicable, after receipt of a Default Redemption Event Notice, give notice thereof to the applicable Securityholders of such Class.

6 DISRUPTION EVENTS – FX HEDGE DISRUPTION

In addition to the events set out in General Condition 9.1 (*Disruption Events*), the Determination Agent may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events (each, an "**FX Hedge Disruption**") has occurred or exists on such day with respect to a Class of FX Hedged Metal Securities, and such FX Hedge Disruption shall constitute a Disruption Event for the purposes of General Condition 9 (*Disruption Events*):

(a) (i) the FX Hedge Counterparty fails to calculate the FX Forward Reference Level or (ii) the FX Spot Reference Level Source fails to calculate and announce the FX Spot Reference Level on the relevant Business Day; or

(b) (i) trading in foreign exchange contracts between the Relevant Currency and the Metal Currency is subject to a material suspension, limitation, illiquidity or disruption; (ii) it becomes impossible or impracticable to convert the Relevant Currency into the Metal Currency or *vice versa*; or (iii) any event in connection with which the FX Hedge Counterparty is (or would be) unable, after using commercially reasonable efforts to hold, acquire or dispose of foreign exchange forward contracts between the Metal Currency and the Relevant Currency or *vice versa*.

7 FX HEDGE AGREEMENTS

7.1 Entry into FX Hedge Agreements

(a) The Issuer shall enter into the FX Hedge Agreements in connection with the issue of the FX Hedged Metal Securities of a Class. For the avoidance of doubt, in respect of a Class of FX Hedged Metal Securities:

(i) each FX Hedge Agreement is a Programme Document; and

(ii) the FX Hedge Counterparty is a Programme Party, Secured Party and Obligor.

(b) Pursuant to the FX Hedge Agreements, the Issuer may transfer (or receive) Metal in unallocated form to (or from) the FX Hedge Counterparty by reference to the increase or reduction in the Metal Entitlement per Security, which relates to movements in foreign exchange rates between the Relevant Currency and the Metal Currency.

7.2 **Transfer of the FX Hedge Agreements**

The Issuer shall not (i) assign or transfer its rights, obligations or duties under any FX Hedge Agreement or (ii) give its consent to the assignment or transfer by the FX Hedge Counterparty of its rights, obligations or duties under any FX Hedge Agreement, without the prior written consent of the Security Trustee.

SECTION 14 – TAX

A. General

14.1 The section contains a general discussion of the anticipated tax treatment of Securityholders in certain jurisdictions in respect of Metal Securities. This section is limited to the United Kingdom, Ireland, Germany, Italy and France. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, 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 Metal Securities.

14.2 Prospective investors should be aware that the acquisition, holding, transfer or disposal of the Metal Securities, and/or receipt of payments under Metal 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.

14.3 The following statements are by way of a general guide to potential investors only and do not constitute legal or tax advice. Potential investors are therefore advised to consult their professional advisers concerning the income and other possible taxation consequences of purchasing, holding, selling or otherwise disposing of the Metal Securities under the laws of their jurisdiction.

14.4 Securityholders and potential investors should note that the following statements on taxation are based on advice received by the Issuer regarding the law and practice in force in the relevant jurisdiction at the Prospectus Date and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in Metal Securities is made will endure indefinitely.

B. Taxation – United Kingdom

14.5 This section summarises certain limited aspects of the UK tax treatment of holding Metal Securities. They are based on current UK law and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. Unless otherwise stated, this summary relates solely to Securityholders (i) who are individuals acting in a private capacity and resident in the UK for tax purposes, (ii) which are within the charge to UK corporation tax and holding Metal Securities as an investment or (iii) which are UK open-ended investment companies or authorised unit trust schemes. The statements in this summary are intended only as a general guide, and they should be treated with appropriate caution. Any person who is contemplating acquiring Metal Securities (whether or not pursuant to the Programme) is strongly recommended to consult their independent professional adviser immediately.

The Issuer

14.6 The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK tax purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK corporation tax purposes or through a branch or agency situated in the UK which would bring the Issuer within the charge to UK income tax, the Issuer will not be subject to UK corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Withholding tax

14.7 Any payments made by the Issuer to Securityholders will not be interest, annual payments, or royalties and so the requirement to withhold does not arise. Consequently, no payments made by the Issuer to Securityholders in respect of Metal Securities should be required to be made under deduction or withholding for or on account of UK tax.

Capital gains tax (***for individual Securityholders***)

14.8 If the Metal Securities are not treated as deeply discounted securities for UK tax purposes (otherwise than by relying on the exemption for "excluded indexed securities"), any gains accruing to a Securityholder upon the sale, redemption or other disposal of Metal Securities will be taxed as income and not as a capital gain, unless the Issuer achieves certification as a "reporting fund".

14.9 Based on HM Revenue & Customs practice, the Issuer has grounds to believe that the Metal Securities should not be treated as "deeply discounted securities" for UK tax purposes (otherwise than by relying on the exemption for "excluded indexed securities"), however investors should obtain their own tax advice in relation to this.

14.10 The Issuer has received certification from HM Revenue & Customs as a "reporting fund" with effect for its first accounting period. While it is expected that certification as a "reporting fund" will be obtained and maintained for all accounting periods, this cannot be guaranteed.

14.11 Note that, under the reporting fund rules, the Issuer is required to report to Securityholders all of the net income attributable to the Metal Securities. However, it is not expected that any such reportable income will arise in respect of the Metal Securities.

14.12 A copy of the annual report required to be made to Securityholders under the reporting fund rules will be provided by the Issuer on the following website: https://www.hanetf.com/issuer-financial-statements.

Income tax (***for individual Securityholders***)

14.13 If the Metal Securities are treated as "deeply discounted securities" for UK tax purposes, any profit arising to an individual Securityholder on transfer or redemption of a Metal Security will be subject to income tax and not to capital gains tax.

Corporation tax

14.14 In general, a Securityholder which is subject to UK corporation tax will be treated for tax purposes as realising profits, gains or losses in respect of Metal Securities on a basis reflecting the treatment in its statutory accounts, in accordance with generally accepted accounting practice. These profits, gains or losses (which will include any profits, gains or losses on a disposal or redemption of Metal Securities and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income profits or losses for the purposes of a Securityholder's corporation tax computation.

UK open-ended investment companies and authorised unit trust schemes

14.15 Although UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (currently at the basic income tax rate of 20 per cent.), they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes (other than qualified investor schemes which do not meet the genuine diversity of ownership condition) on creditor loan relationships and derivative contracts. In this respect, capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of "net capital gains/losses") in accordance with the relevant Statement of Recommended Practice. In addition, Part 2B of those Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising to a UK open-ended investment company or authorised unit trust, which meets the genuine diversity of ownership condition, from an "investment transaction" (which includes loan relationships and derivative contracts) as a non-trading transaction and thus not taxable as income. These Parts of the Regulations will determine whether any profits, gains or losses arising to a Securityholder which is a UK open-ended investment company or authorised unit trust scheme (other than a qualified investor scheme which does not meet the genuine diversity of ownership condition) in respect of Metal Securities will be exempt from tax.

Stamp duty and stamp duty reserve tax (***SDRT***)

14.16 Provided that the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, Metal Securities in Uncertificated Form.

14.17 In the case of Metal Securities held in Certificated Form, provided that (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to any property

situated or to any matter or thing done or to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of Metal Securities.

14.18 The Redemption of Metal Securities will not give rise to stamp duty or SDRT.

Inheritance tax (***for individual Securityholders***)

14.19 For the purposes of inheritance tax, a Metal Security may form part of the value of the estate of a Securityholder who is an individual who is a long-term UK resident, and inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of a Metal Security on a gift of that Metal Security by, or on the death of, such a Securityholder. Such a tax charge may be subject to appropriate provisions in any applicable double taxation treaty.

Organisation for Economic Co-operation and Development ("***OECD***") ***Common Reporting Standard and the Directive on Administrative Co-operation***

14.20 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

14.21 The Directive on Administrative Co-operation ("**DAC**") provides a similar regime for automatic exchange of information within the EU. Ireland has implemented both the CRS and the DAC. As a result, the Issuer is required to comply with the CRS/DAC due diligence and reporting requirements, as adopted by Ireland.

14.22 Securityholders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS/DAC. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

C. Taxation – Ireland

14.23 The following is a summary of certain Irish withholding tax consequences of the holding of the Metal Securities. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Metal Securities. The summary relates only to the position of persons who are the absolute beneficial owners of the Metal Securities and who are not associated with the Issuer (otherwise than by virtue of holding the Metal Securities) and may not apply to certain other classes of persons such as dealers in securities.

14.24 The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Metal Securities should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Metal Securities including, in particular, the effect of any state or local tax laws.

Withholding taxes

14.25 It is not anticipated that the Issuer will make payments in respect of the Metal Securities before their Redemption and, as a result, Irish withholding tax should not be a consideration before that time.

14.26 It is anticipated that the Issuer should not be required to deduct any amounts for or on account of Irish tax from any payment made on Redemption of the Metal Securities provided that payments are once-off in nature, are paid by or through a paying agent that is not in Ireland, or are held through a clearing system, and the Metal Securities are quoted on a recognised stock exchange on the payment date.

Stamp Duty

14.27 A transfer of Metal Securities should not be subject to Irish stamp duty provided the Issuer remains a qualifying company for the purposes of Section 110.

D. Taxation – Germany

14.28 The following is a brief summary of some important principles of German tax law that may be of relevance for Securityholders acquiring, redeeming, holding or selling Metal Securities. The summary does not fully cover all aspects of German tax law that may be of relevance to Metal Securities. The summary is based on German tax law as of the date of this Prospectus. It should also be noted that the taxation of Securityholders may change at any time as a result of new legislation, court practice or decrees issued by the relevant taxation authorities, potentially with retroactive effect.

14.29 **German Securityholders interested in acquiring the Metal Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, redeeming, holding, selling or otherwise transferring the Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.**

Tax Residents

14.30 Natural and legal persons who are resident, have their habitual abode, have their statutory seat or principal place of management in Germany are subject to resident taxation in Germany (*unbeschränkte Steuerpflicht*).

No Current Income

14.31 There will be no current income in the form of interest or similar payments under the Metal Securities.

Taxation of capital gains derived from the disposition of Metal Securities or from the redemption of Metal Securities held as personal assets

14.32 Private individuals who are tax resident in Germany and who hold the Metal Securities as personal assets (*Privatvermögen*) are subject to German personal income tax (*Einkommensteuer*) with regard to income derived from the Metal Securities as follows:

14.33 On 12 May 2015 the German Federal Fiscal Court (*Bundesfinanzhof*, "**BFH**") rendered decisions (VIII R 35/14, BStBl. II 2015, p. 834; VIII R 4/15, BStBl. II 2015, p. 835; VIII R 19/14, BFH/NV 2015, p. 1559, "Xetra Gold") stating that the disposition or redemption of bearer bonds which represent a claim to receive precious metals (including gold, i.e. the Metal Entitlement) is not subject to the German flat tax regime for investment income (*Abgeltungssteuer*). These decisions of the 8th. Chamber (*Senat*) of the BFH were confirmed by a subsequent decision of the 9th. Chamber on 6 February 2018 (IX R 33/17, BFH / NV 2018, p. 574). In a further decision dated 16 June 2020 (VIII R 7/17, BStBl. II 2021, p. 9, "Gold Bullion Securities") the BFH confirmed that its case law would also apply to instruments which offer the holder the option to require the issuer to sell the precious metal and to pay out the sales proceeds rather than delivering the precious metal.

14.34 The BFH has expressly stipulated that this qualification is not jeopardized if in particular situations – e.g. in case of regulatory restrictions for the acquisition of precious metals – only a claim for repayment of money is available.

14.35 The BFH also mentions that it is not relevant whether or not the notes are traded on a regulated stock exchange or whether they are privately traded.

14.36 The tax administration has endorsed this position in the general decree on the application of the flat tax on investment income (*Abgeltungssteuer*) (decree of the Federal Ministry of Finance (*Bundesfinanzministerium*, "**BMF**") of 16 January 2016, IV C 1 – S 2252/08/100004:017), BStBl. I 2016, p. 85 ss, as amended by decree of 10. May 2019, IV C 1 – S 2252/08/100004 :21, BStBl. I 2019, p. 464, and by decree of 19 May 2022, IV C 1 - S 2252/19/10003 :009, BStBl. I 2022, p. 742, and by decree of 14 May 2025, IV C 1 – S 2252/00075/016/070 (the "**Decree**"). According to the Decree the Metal Entitlement would qualify as a regular claim for repayment of a certain amount of money (*Kapitalforderung*), which would be subject to the flat tax on investment income (*Abgeltungssteuer*), if this claim was not covered by gold or if the terms and conditions of such Metal Securities provide that the Issuer can either settle the claim by delivery of gold or by payment of a certain amount of money. If, on the other hand, the terms and conditions provide that the issuer must invest the capital made available to it almost entirely in gold or another commodity, and there exists solely a claim to delivery of the deposited commodity or a claim to payment of the

proceeds from the sale of the commodity by the issuer, then the flat tax regime for investment income shall not apply.

14.37 In a further decision (12 April 2021, VIII R 15/18, BStBl. II 2021, p. 913) the BFH held that the case law does not apply to Gold ETFs because, according to the court, there was no contractual obligation of the fund to deliver physical gold notwithstanding the holder's right to request the delivery of gold rather than the payment of certain amount of money.

Income

14.38 The sale of the Metal Securities in general qualifies as a taxable event for the investor in case such sale of the Metal Securities occurs within 12 months after their purchase, sec. 23 para. 1 sent. 1 no 2 sent. 1 EStG (so-called *privates Veräußerungsgeschäft*). If a Securityholder has purchased more than one Metal Security at different dates, the Metal Security first purchased will be deemed to be first sold. A sale after the end of the 12-month holding period should not be a taxable transaction and profits therefore will be tax free, but losses are not tax-deductible against other sources of income.

14.39 According to the case law of the BFH, the delivery of gold in case of redemption of the Metal Securities does not qualify as a taxable disposition of the Metal Securities (decision of 6 February 2018, IX R 33/17, BStBl. II 2018 p. 525). The BFH takes the view that a disposition within the meaning of sec. 23 EStG requires the transfer of an asset for consideration. In case of the redemption, according to the view of the BFH, there is no such transfer for consideration because the investor only receives gold already attributed to him under the terms and conditions of the Metal Securities. Commercially the Securityholder is in the same position as before the redemption. These principles should also apply to other metals. A taxation of any appreciation of the Metal would thus not be justified.

14.40 Should the sale of the Metal Securities qualify as a taxable event because it occurs within the 12 months holding period the taxable income (profit or loss) corresponds to the difference between the sales proceeds and acquisition cost.

14.41 A profit arising during the holding period will not be taxed if – after off-setting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed 1,000 Euro. Losses from transactions falling under sec. 23 EStG can only be off-set against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of losses exceeding that threshold to the previous year or a carry forward to subsequent years can be achieved.

Sale of physical Metal after delivery

14.42 In case of delivery of physical Metal the profit derived from a subsequent sale of Metal generally is subject to personal income tax at ordinary rates (up to 45% plus, if applicable, solidarity surcharge of 5.5% thereon and church tax if applicable) provided the Metal is sold within twelve months after the purchase of the Metal Securities.

Taking into account the case law of the BFH (in particular dec. of 6. February 2018), the Metal may be considered to be acquired at the time the Securityholder acquired the Metal Securities rather than on the subsequent date of the actual delivery of the Metal. However, it needs to be noted that there currently is no published guidance of the tax administration or case law on this particular point. The decision of 6 February 2018 does not make an explicit statement about this specific issue. The sale of Metal on a date after the twelve months holding period expired should not be a taxable transaction.

14.43 A profit arising during the holding period will not be taxed if – after off-setting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed 1,000 Euro. Losses from transactions falling under sec. 23 EStG can only be off-set against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of excess losses that threshold to the previous year or a carry forward to subsequent years can be achieved.

Withholding Tax

14.44 Proceeds resulting from transactions falling under sec. 23 EStG are not subject to withholding tax.

Tax Assessment

14.45 Taxable profits resulting from transactions falling under sec. 23 EStG need to be reported by the investor in his personal tax return. The applicable tax rate is determined according to the progressive income tax schedule which reaches 45% in the highest bracket (plus 5.5%, if applicable, solidarity surcharge thereon and, if applicable church tax).

Taxation of capital gains derived from the sale of Metal Securities or from the redemption of Metal Securities held as business assets

14.46 In case of tax resident Securityholders (private individuals and legal persons) which hold the Metal Securities as business assets (*Betriebsvermögen*) any capital gain will be subject to personal income tax (up to 45% plus solidarity surcharge of 5.5% thereon and, church tax if applicable) or corporate income tax at a rate of 15% (plus solidarity surcharge of 5.5% thereon) irrespective of any holding period. From the year 2028 on, the German corporate income tax rate will be reduced by 1% each year in five steps, down to 10%, i.e. from the year 2032 on the German corporate income tax rate will be 10%. However, the solidarity surcharge of 5.5% will continue to be levied on the German corporate income tax. In addition, trade tax (*Gewerbesteuer*) might be levied. The trade tax rate depends on a local multiplier which is assessed by the competent municipality.

14.47 The question of whether the delivery of gold in case of redemption of Metal Securities held as business assets does qualify as a taxable disposition of the Metal Securities has not been clarified by German tax administration and tax courts yet. However, based on the prevailing opinion in German tax literature on convertible bonds (*Wandelanleihen*) according to which the conversion does not result in a taxable

disposition, but in a tax neutral roll-over of acquisition costs, it may be argued that the delivery of Metals is not a taxable disposition.

Non-resident Taxation

14.48 Profits derived by a non-resident Securityholder from the disposition of the Metal Securities, from the redemption of the Metal Securities or from the disposition of the physical Metal will not be taxed in Germany unless (i) the Metal Securities or the physical Metal belong to the assets of a permanent establishment (including a permanent representative) or another fixed place of business maintained by the non-resident Securityholder in Germany or (ii) the income can be attributed to other German sourced income (e.g. rent income derived from domestic property).

14.49 Should a non-resident Securityholder be subject to German taxation the same principles applicable to tax resident Securityholders would apply.

Gift or inheritance tax

14.50 A transfer of the Metal Securities by way of gift or on death will be subject to German inheritance or gift tax if the Securityholder, or its heir, donee or other beneficiary, is a German resident for German gift or inheritance tax purposes according to the specific rules of the German Gift and Inheritance Tax Act (*Erbschaftsteuergesetz*). This may in particular be the case if the Securityholder, heir, donee or other beneficiary is:

(a) an individual having at the time of the donation or death his or her residence or habitual abode in Germany or if the individual is a German citizen who has not been living abroad for more than 5 years without having a residence in Germany; or

(b) a corporation having its seat or main place of management in Germany; or

(c) the Metal Securities constitute business assets attributable to a permanent establishment or a permanent representative in Germany.

Other taxes

14.51 No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issue, delivery or execution of the Metal Securities, the Global Bearer Certificates or any interest therein. No net asset tax (*Vermögensteuer*) is currently levied in Germany.

14.52 There is no German Value Added Tax (*Umsatzsteuer*, "**VAT**") payable when Securityholders acquire or sell Metal Securities.

14.53 The physical delivery of gold to German Securityholders following the Redemption Date is free of German VAT if the Issuer delivers investment gold in the form of a bar or a wafer of weights accepted by the bullion markets and of purity equal or greater than 995 thousandths.

OECD Common Reporting Standard

14.54 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions and automatically exchange with exchange partners on an annual basis financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

14.55 Germany has enacted a law implementing the CRS, which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

14.56 In the event that Securityholders hold the Metal Securities through a German financial institution (as meant in the German implementation of the CRS), Securityholders may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the German implementation of the CRS.

E. Taxation – Italy

General

14.57 The information set out below is a summary of certain limited aspects of the Italian tax consequences of the acquisition, ownership and disposition of Metal Securities and it does not purport to be a comprehensive description of all the tax issues that may be relevant to a decision to purchase Metal Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Italy. This summary is based on the tax laws of Italy as in effect on the date of this Prospectus, as well as current regulations, Italian Tax Authority (*Agenzia delle Entrate*) positions, rulings and decisions of other authorities available on or before such date and now in effect. It is anticipated that most of the provisions of the current Italian Consolidated Text on Income Taxes, i.e., the Presidential Decree No. 917 approved on 22 December 1986 (Testo Unico delle Imposte sui Redditi, hereinafter, the "**1986 TUIR**", as amended) and several other Italian acts on taxation will be replaced, effective from January 1st, 2027, by the correspondent provisions of the new Italian Consolidated Text on Income Taxes, i..e, the Legislative Decree No. 117 of June 19th, 2026 (hereinafter, "**TUIR**").

14.58 All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Metal Securities should consult their own tax advisers as to the Italian or other tax consequences of the purchase, holding and disposition of Metal Securities including, in particular, the application to their specific situations of the tax aspects discussed below, as well as the application of state, local, EU, foreign or other tax laws.

14.59 This summary assumes that (i) the Issuer is not a tax resident nor deemed to be a tax resident of Italy according to Article 73, paragraph 3 of the 1986 TUIR (as it will be replaced by the correspondent provision of the TUIR) and (ii) the Issuer does not have (and will not have at any time) a permanent establishment in Italy as defined under Article 162 of the 1986 TUIR (as it will be replaced by the correspondent provision of the TUIR).

14.60 The Royal Mint Responsibly Sourced Physical Gold ETC Securities is a Class of Metal Securities, also known as Exchange Traded Commodities (ETC), designed to track the price of gold and to provide to the Securityholder a Redemption, in cash or gold, equivalent to the spot price of the gold less the applicable fees (as described in paragraph 3.11).

14.61 With Ruling No. 72/E of 12 July 2010 the Agenzia delle Entrate has established that Exchange Traded Commodities (ETC) should be treated as ***derivative financial instruments*** for Italian tax purposes, because they are characterized by the following aspects: (i) value is dependent on an underlying asset, group of assets, or benchmark; (ii) price is derived from fluctuations in the underlying asset; and (iii) settlement could be carried out through the delivery of the underlying asset, rather than in cash.

Tax on income and capital gains deriving from "derivative financial instruments"

14.62 For the purposes of Italian tax law and based on current tax authorities' approach, Metal Securities are subject to the tax regime of derivative financial instruments (or bundles of derivative financial instruments) as defined by art. 67, par. 1, lett. c-quater of the 1986 TUIR (as it will be replaced by the correspondent provision of the TUIR).

14.63 Italian tax regime applicable to derivative financial instruments received by a Securityholder is determined according to the following criteria: (i) net cash proceeds received from a redemption or sale of the Metal Securities, (ii) the sum paid at the time of subscription or purchase and (iii) the legal nature of the Securityholder.

14.64 If the Securityholder is (a) an Italian resident corporation or similar commercial entity, or (b) an Italian individual engaged in entrepreneurial activities to which the Metal Securities are effectively connected *(detenzione collegata all'esercizio dell'impresa),* or (c) a permanent establishment in Italy of a non-Italian resident to which the Metal Securities are effectively connected (as well as unrealised gains reported in the statutory financial statement), proceeds from the sale or redemption of the Metal Securities received shall be included in the relevant holder's taxable income, which is subject to corporate income tax *("**Imposta sul reddito delle società – IRES***", currently applicable at a rate of 24 per cent (20 per cent for the fiscal year 2025, subject to specific arrangements to encourage employment to be implemented by the entities claiming for such benefit) , increased by 3.5 per cent for insurance companies, banks and some financial intermediaries, including, without limitation, parent companies of banking groups, fund management companies and investment firms, while the above-specified ordinary rate is reduced up to 12 per cent for companies that start activities in the "Special Economic Zone – ZES" of Italy, as determined by

the Italian government) for cases (a) and (c) or to personal income taxation (as business income), for case (b), according to the ordinary rules.

In addition, in certain cases, depending on the status and the type of activity of the holder (e.g. securities trading activity), proceeds from the sale or redemption of the Metal Securities may also be relevant for the purpose of regional income tax on productive activities ("***Imposta regionale sulle attività produttive – IRAP***");

14.65 If the Securityholder is (a) an Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected or (b) a non-commercial entity according to Article 5 of Legislative Decree no. 461 of 21 November 1997, as defined under the combined provisions of Articles 67 of 1986 TUIR (as it will be replaced by the correspondent provision of the TUIR) and Article 3 of Law Decree no. 66 of 2014, gains realised upon the sale for consideration or redemption of the Metal Securities are considered as "other income" (Redditi diversi) and are generally subject to a substitute tax (imposta sostitutiva) at a rate of 26 per cent.

In particular, Italian tax law provides for the application of a substitute tax of 26% (as final taxation) on gains of a financial nature through three alternative regimes:

(a) The so-called *"Regime della dichiarazione"*, as required by Article 5 of Legislative Decree no. 461 of 21 November 1997 (as it will be replaced by the correspondent provision of the TUIR), the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity.

Imposta sostitutiva on capital gains is applied, on a cumulative basis, on all capital gains realised in a fiscal year, net of any incurred capital loss. In regard with the sum of capital gain or loss, it is evident that all disposals of Metal Securities and other financial instruments triggering them have to be subject to the same tax regime.

In addition, these individuals and non-commercial entities must report the overall capital gains realised, net of any relevant incurred capital loss, in the annual Italian tax return and file it to the Italian tax authorities. Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

(b) The so-called "*Regime del Risparmio Amministrato*", according to Article 6 of Legislative Decree no. 461 of 21 November 1997 (as it will be replaced by the correspondent provision of the TUIR), is carried out through the provision of non-discretionary administration/custodian services to the relevant taxpayer and allows to pay the *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Metal Securities under this regime.

Such a separate taxation of each capital gain is allowed only if: (a) the Metal Securities being deposited with an Italian bank, or an investment firm as a

Società di *Intermediazione Mobiliare* (SIM) or with one of certain other authorised financial intermediaries, (b) each relevant capital gain being realised through such intermediary, and (c) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Metal Security holder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Metal Securities (as well as in respect of capital gains realised at revocation of its mandate and upon other specific circumstances which are deemed to trigger an assignment under this regime), net of any incurred capital loss, and is required to pay the relevant amount of tax to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Metal Securities holder.

Under the *Regime del Risparmio Amministrato*, where a sale or redemption of Metal Securities results in a capital loss, such loss may be used to reduce the subsequent capital gains realised in the same tax year and up to the following fourth.

All gains that have been subject to the *Regime del Risparmio Amministrato* do not have to be included in the annual Italian tax return of the holder of Metal Securities;

(c) The so-called "*Regime del Risparmio Gestito",* as provided for in Article 7 of Legislative Decree no. 461 of 21 November 1997 (as it will be replaced by the correspondent provision of the TUIR), is performed through the management of an authorised Italian financial intermediary, providing discretionary portfolio management services, who directly applies the *imposta sostitutiva*.

The tax base is represented by the computation of the annual increase in value of the managed assets accrued, which include the increase and decrease in the fair market value of the Metal Securities, as well as the gains and losses realised upon the sale for consideration or redemption of the same securities, even if not realised, at year end.

Under the *Regime del Risparmio Gestito*, any depreciation of the managed assets accrued at year end may be carried forward and deducted against future increase in value of the managed assets in the four succeeding years. All gains that have been subject to the *Regime del Risparmio Gestito* do not have to be included in the yearly income tax return of the holder of Metal Securities;

Capital gains in respect of the Metal Securities realized upon sale, transfer or redemption by Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected could also be exempted from taxation, including the 26 per cent imposta sostitutiva, if the Metal Securities are included in a *long-term individual savings account ("**Piano Individuale di Risparmio a lungo termine – PIR**" or also "**Alternative PIR**")* that, combining the Metal

Securities with PIR eligible financial instruments, comply with *(i)* Article 1 (paragraphs 100 – 114) of Law no. 232 of 2016, as amended, and/or with *(ii)* the Law Decree no 34 of 2020, converted into Law no. 77 of 2020. For the avoidance of doubts, Metal Securities are not, per se, PIR eligible financial instruments, but may be entitled to the tax exemption only if the Metal Securities are included in a bucket of non-PIR eligible financial instruments and the bucket doesn't exceed 30% of the total assets within the PIR and do not exceed the threshold for individual securities in a PIR;

14.66 If the Securityholder *of Metal Securities is an Italian resident collective investment scheme (e.g. UCIT),* the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities, other than real estate investment funds, and hedge funds are not subject to taxation at the fund's level;

14.67 If the Securityholder *of Metal Securities is an Italian pension fund* (subject to the regime provided for by Articles 14, 14-ter and 14-quater, paragraph 1, of Legislative Decree 21 April 1993, no. 124 as further substituted by Legislative Decree no. 252 of 5 December 2005, as amended), the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities are included in the determination of the yearly NAV accrued appreciation or depreciation of the assets under management that is subject to a substitute tax (*imposta sostitutiva*) currently at a rate of 20 per cent, reduced to 12.50 per cent for the portion of the appreciation of the assets under management attributable to bonds issued by Italy or "white list" countries;

14.68 If the Securityholder is a *Non-Italian resident without a permanent establishment in Italy to which the Metal Securities are effectively connected,* it is not subject to income tax in Italy on the proceeds realised on the sale of the Metal Securities, provided that:

(a) the Metal Securities have not been deposited in Italy; or

(b) the Metal Securities have been deposited in Italy and are traded on a regulated market; or

(c) the Metal Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of the proceeds from the Metal Securities: *(i)* complies with certain filing requirements; and *(ii)* is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities as provided under the relevant list which is contained in a specific Ministerial Decree and in the following periodical updating.

Inheritance and gift taxes

14.69 Law no. 286 of 24 November 2006, which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Metal Securities) and rights by reason of death or gift.

14.70 As regards the inheritance and gift tax to be paid at the transfer of the Metal Securities by reason of death or gift, the following rates apply:

(a) transfers in favour of spouses and direct descendants or direct relatives are subject to an inheritance and gift tax of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each beneficiary;

(b) transfers in favour of brothers and sisters are subject to an inheritance and gift tax of 6 per cent. on the value of the inheritance or the gift exceeding Euro 100,000.00 for each beneficiary;

(c) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax of 6 per cent. on the entire value of the inheritance or the gift;

(d) any other transfer is subject to an inheritance and gift tax of 8 per cent. on the entire value of the inheritance or the gift; and

(e) transfers in favour of seriously disabled persons are subject to an inheritance and gift tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each beneficiary.

14.71 The payment of the gift and inheritance taxes should be made directly by the relevant taxpayer and not by means of withholding by a tax agent.

14.72 Moreover, an anti-avoidance rule is provided by Law no. 383 of 18 October 2001 (as it will be replaced by the correspondent provision of the TUIR) for any gift of assets (such as the Metal Securities) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Legislative Decree no. 461 of 21 November 1997 (see paragraph 14.65 above). In particular, if the beneficiary of the gift sells the Metal Securities for consideration within five years from the receipt thereof as a gift, the same beneficiary is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift had never taken place.

Securities Transfer and Registration Tax

14.73 According to Article 37 of Law Decree no. 248 of 31 December 2007, as converted with amendments into Law no. 31 of 28 February 2008, the transfer of the Metal Securities is not subject to Italian stock exchange tax.

14.74 Contracts relating to the transfer of Metal Securities may be subject to the following registration tax: *(i)* public deeds and notarised deeds are subject to a fixed registration tax at a rate of €200.00; *(ii)* private deeds are subject to registration tax at a rate of €200.00 only if they are voluntary registered or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Financial Transaction Tax (Tobin tax)

14.75 Having regard to Article 1, paragraphs 491 to 499 of the Law No 228 of 24 December 2012 and to Decree of the Minister of Economy and Finance of 21 February 2013,

the transfer of the Metal Securities is not subject to the application of the tax Financial Transaction Tax.

Stamp Duty

14.76 Pursuant to Article 19, paragraph 1, of Law Decree No. 201 of 6 December 2011 ("***Decree 201***"), as converted into Law no. 214 of 22 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for the Metal Securities deposited therewith. The stamp duty applies at the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Metal Securities held. The stamp duty has a cap of euro 14.000 if the taxpayer is different from a natural person.

Wealth Tax on securities deposited abroad

14.77 Pursuant to Article 19, paragraph 18, of Decree 201, Italian (a) resident individuals, *(b) non-commercial entities (e.g. trusts, foundations, etc.) and (c) non-commercial partnerships (i.e. Società Semplice)* holding Metal Securities outside the Italian territory are required to pay a wealth tax (Imposta sul valore delle attività finanziarie detenute all'estero - IVAFE) at the current rate of 0.2 per cent (or of 0.4 per cent if the Metal Securities are held in States or territories deemed with privileged taxation, as identified by the Ministerial Decree of May 4, 1999, as amended).

14.78 The IVAFE's tax base is the market value of the Metal Securities at the end of the relevant year or at the end of the holding period, if on 31 December the Metal Securities are no longer held. When market value figure is not available, IVAFE is calculated on the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the IVAFE due).

Tax Monitoring

14.79 Pursuant to Law Decree no 167 of 28 June 1990, converted into Law no. 227 of 4 August 1990, as amended, *Italian* (a) resident individuals, *(b) non-commercial entities (e.g. trusts, foundations, etc.) and (c) non-commercial partnerships (i.e. Società Semplice)*, whose, during the fiscal year, hold Metal Securities abroad must disclose them to the Italian tax authorities filling the Italian tax return.

14.80 Tax monitoring is not due when Metal Securities are placed in custody or administration with an authorised Italian financial intermediary (e.g. Italian banks, fiduciary companies); in this event also IVAFE is not due, as Stamp Duty (see. Par.13.77) becomes applicable.

OECD Common Reporting Standards

14.81 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017.

14.82 Italy has enacted Law No. 95 of 18 June 2015 ("**Law 95/2015**"), implementing the CRS (and the amended EU Directive on Administrative Cooperation), which entered into force on 1 January 2016 and provided for the exchange of information from the calendar year 2016 onwards.

14.83 In the event that Metal Securities are held through an Italian financial institution (as meant in the Ministerial Decree of 28 December 2015 implementing Law 95/2015), the holders of the Metal Securities may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

F. Taxation – France

General

14.84 This following summary is based on the tax laws and regulations in force in France as of the date of this Prospectus and such as applied by the French tax authorities, all of which are subject to changes or to different interpretation, potentially with retroactive effect. It does not purport to be a comprehensive description of all the French tax considerations which may be relevant to a decision to purchase, own or dispose of the Metal Securities.

14.85 Potential purchasers and sellers of the Metal Securities are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the purchase, ownership, redemption or disposal of the Metal Securities. In particular, this tax summary does not address the tax treatment of Metal Securities holders that are subject to special rules, such as partnerships, trusts or regulated investment companies, international organisations, banks or other financial institutions, insurance companies, among others.

14.86 Prospective investors should consult their tax advisers as to the French and foreign tax treatment especially in light of their particular circumstances.

14.87 The tax treatment described below is based on the assumption that the Metal Securities will be assimilated to fixes-income investments (such as bonds) for French tax purposes.

Withholding Tax

14.88 To the extent that the Issuer of the Metal Securities is not domiciled or established in France (notably Metal Securities are not issued through a permanent establishment of the Issuer in France), the payments made on the Metal Securities to a beneficial owner of Metal Securities which is not a French resident for tax purposes and does not hold the Metal Securities in connection with a permanent establishment or a fixed base in France will not be subject to a withholding tax (*retenue à la source*) in France.

French Resident Individuals

14.89 The following is an overview of French tax rules applicable to individuals, resident in France for tax purposes, who hold Metal Securities as part of their private assets, who do not trade on the stock market on a regular basis and, accordingly, who are not considered as professional traders. Individuals who engage in professional trading transactions should consult their tax advisers concerning the tax rules applicable in their specific case.

Redemption Premium

14.90 Redemption premium from obligations issued by foreign entities is subject to personal income tax (Article 120-8° of the French tax code ("**FTC**")). Pursuant to Articles 125 A and 125 D of the FTC, subject to certain limited exceptions, the redemption premium received by individuals who are fiscally domiciled in France (*domiciliés fiscalement*) is subject to a 12.8 per cent. advance tax (payable either by way of a withholding or by the individuals themselves), which is deductible from their personal income tax liability in respect of the year in which the payment has been made.

14.91 The redemption premium is then subject to personal income tax either at the flat tax rate of 12.8 per cent. or, upon election of the taxpayer, at the progressive scale with a maximum rate of 45 per cent. (the election for a taxation at the progressive scale being global and then applied to all the savings income and capital gains of the taxpayer), the above mentioned advance tax of 12.8 per cent. being in both cases deductible from the personal income tax liability.

14.92 Social contributions are levied (either by way of withholding or paid by the individuals themselves) at an aggregate rate of 18.6 per cent., broken down as follows:

- a general social contribution (*Contribution sociale généralisée*) of 10.6 per cent. (of which 6.8 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);

- an additional contribution to the social levy (*Prélèvement de solidarité*) of 7.5 per cent.; and

- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent.

A tax on higher income (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds € 250,000 (for single persons) or € 500,000 (for couples).

The Finance Act for 2025 introduced a so-called differential contribution on high income (*Contribution différentielle sur les hauts revenus*) applicable to French tax resident with high-income: if the total amount of income tax and exceptional contribution on high income results in an effective taxation rate below 20%, the differential contribution will apply to reach the 20% tax threshold. Initially, the contribution was intended to apply only to income received in respect of the 2025 tax year; however the Finance Act for 2026 has provided that the contribution will remain in effect until where the general budget deficit falls below 3% of French gross domestic product.

Losses derived from the redemption of the Metal Securities cannot be deducted from the holder's taxable income.

Capital Gains

14.93 Capital gains realised on sales of Metal Securities are subject to personal income tax either at the flat tax rate of 12.8 per cent., or upon election of the taxpayer, to personal income tax at progressive rates, with a maximum rate of 45 per cent. (the election for a taxation at the progressive scale being global and then applied to all the savings income and capital gains of the taxpayer), as of the first euro earned (Article 200- A 2 of the FTC), to which are added the following social contributions at an aggregate rate of 18.6 per cent.

- a general social contribution (*Contribution sociale généralisée*) of 10.6 per cent. (of which 6.8 per cent. is deductible from the basis of assessment for personal income tax for the year of payment);

- an additional contribution to the social levy (*Prélèvement de solidarité*) of 7.5 per cent.; and

- a social security debt repayment contribution (*Contribution au remboursement de la dette sociale*) of 0.5 per cent.

14.94 A tax on higher income (*Contribution exceptionnelle sur les hauts revenus*) is applicable at a rate of 3 per cent. to 4 per cent. on the income derived by individuals which exceeds € 250,000 (for single persons) or € 500,000 (for couples).

The Finance Act for 2025 introduced a so-called differential contribution on high income (*Contribution différentielle sur les hauts revenus*) applicable to French tax resident with high-income: if the total amount of income tax and exceptional contribution on high income results in an effective taxation rate below 20%, the differential contribution will apply to reach the 20% tax threshold. Initially, the

contribution was intended to apply only to income received in respect of the 2025 tax year; however the Finance Act for 2026 has provided that the contribution will remain in effect until where the general budget deficit falls below 3% of French gross domestic product.

14.95 Capital losses may only be used to offset capital gains of the same type incurred within the same year; in case of a remaining negative balance of capital losses, capital losses are then used to offset capital gain of the following 10 years.

French Real Estate Wealth Tax

14.96 As from 1 January 2018, the French wealth tax (*impôt de solidarité sur la fortune*) is repealed and replaced by the French real estate wealth tax (*impôt sur la fortune immobilière*).

14.97 Due to the nature of the underlying assets of the Metal Securities, we assume that said securities should not fall within the scope of the French real estate wealth tax.

Duties on Inheritance and Gift Tax

14.98 Subject to certain conditions, Metal Securities inherited or received as gifts by individuals may be subject to inheritance and gift taxes in France.

Legal Entities Subject to Corporate Income Tax in France

Redemption Premium

14.99 The redemption premium is calculated by the difference between the amounts to be received and the amounts paid at the time of the acquisition or subscription of the Metal Securities.

14.100 The premium is subject to a staggered taxation when the premium, computed as indicated above, exceeds 10 per cent. of the subscription or acquisition price and for Metal Securities whose average issue price is not greater than 90 per cent. of their redemption value (Article 238 septies E II 1° of the FTC).

14.101 Where the redemption value of the Metal Securities cannot be determined before the maturity date, the securities holder may be subject to tax on a deemed redemption premium. The taxable portion of the deemed premium is equal to the difference between (i) the fraction of the deemed premium accrued until the end of the fiscal year, and (ii) the fractions taxed during the previous fiscal years. The deemed premium results from the application to the acquisition price, according to the method of compound interest, of a deemed interest rate equal to 105 per cent. of the last monthly interest rate applicable in respect of long term public loans (*taux mensuels des emprunts d'Etat à long terme*) known at the date of the acquisition (Article 238 septies E II 2 and 3 of the FTC). Furthermore, the redemption date is deemed to be the most distant date mentioned in the contract. The deemed premium is subject to staggered taxation only if it exceeds 10 per cent. of the subscription or acquisition price. Otherwise, the premium is taxable at the time of reimbursement.

14.102 In the other cases, the premium is taxable at the time of reimbursement, except if the Metal Security is considered as index-linked.

14.103 In the specific circumstances where the Metal Securities are treated as index-linked (it being noted that the qualification of the Metal Securities as index-linked or non index-linked is not certain under French law), the redemption premium is computed at the end of the fiscal year as the value of reimbursement that takes into account the variation of the deemed index (Article 238 septies E II 2 and 3 of the FTC). The taxable portion of the deemed premium is equal to the difference between (i) the fraction of the deemed premium accrued until the end of the fiscal year, computed at a rate which, in accordance with the methods of compound interest, allows obtaining of the reimbursement value (that takes into account the variation of the deemed index) and (ii) the fractions taxed during the previous fiscal years according to the same method. This staggered taxation applies even if the premium does not exceed 10 per cent. of the subscription or acquisition price and even if the average issue price of the Metal Securities is greater than 90 per cent. of the redemption value. In order to avoid double taxation, when the Metal Securities are sold or reimbursed, the portion of the premium that has already been subject to the staggered taxation during the previous financial year is deducted in determining the capital gain.

14.104 The redemption premium is subject to corporate income tax ("**CIT**") at the following rate.

14.105 For fiscal years opened on or after 1 January 2023, CIT is levied, in the general case, at a standard rate of 25 per cent. and is increased by a social contribution (*contribution sociale*) at a 3.3 per cent. rate applied on the CIT due, after deduction of € 763,000 per 12-month period (Article 235 ter ZC of the FTC). Certain legal entities may pay CIT at the reduced rate of 15 per cent., up to a maximum taxable amount of € 42,500 per 12-month period, and may qualify for exemption from the 3.3 per cent. social contribution under certain conditions (Articles 219-I-b and 235 ter ZC of the FTC). The Finance Act for 2025 introduced an exceptional contribution on profits for large companies (*Contribution exceptionnelle sur l'impôt sur les sociétés des grandes entreprises*) at a rate of 20.6% when their turnover is between €1 billion and €3 billion, or 41.2% when it exceeds €3 billion; the contribution was supposed to be applicable only to the first financial year ending on or after 31 December 2025.

However, the Finance Act for 2026 has extended the application of the contribution by one additional financial year. Accordingly, the contribution applies also to the first financial year ending on or after 31 December 2026. The turnover's threshold for the application of the contribution has increased from €1 billion to €1.5 billion.

Capital Gains

14.106 Capital gains or losses realised on the sale of Metal Securities by a legal entity subject to CIT are subject to the short-term capital gains or short-term capital losses regime.

14.107 Capital gains are included in the taxable income of the current fiscal year at the time of their realisation and are taxable at the standard CIT rate of 25 per cent. plus the 3.3 per cent. social contribution (or the reduced rate of 15 per cent. up to € 42,500 of

taxable income, where applicable). In addition, an exceptional contribution on profits for large companies will apply at a rate of 20.6% for companies with turnover between €1 billion and €3 billion, or 41.2% when turnover exceeds €3 billion, if applicable. Also, the Finance Act for 2026 has extended the application of this contribution by one additional financial year and increased the lower turnover threshold for its application from €1 billion to €1.5 billion.

14.108 Capital losses are charged against taxable income or contribute to the creation of losses carried forward under the conditions set forth by commonly applicable law.

G. Taxation – Switzerland

14.109 The following discussion is a summary of certain material Swiss tax considerations relating to (i) Metal Securities issued by any of the Issuers where the holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) Metal Securities where the Paying Agent, custodian or Metal Securities dealer is located in Switzerland. The discussion is a summary based on legislation as of the date of this Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant for a decision to invest in Metal Securities. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Metal Securities (or options embedded therein) in light of their particular circumstances.

Swiss Withholding Tax

14.110 Payments under the Metal Securities will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

14.111 On 3 April 2020, the Swiss Federal Council proposed draft legislation and opened the consultation procedure regarding the reform of the Swiss withholding tax regime, which had previously been suspended. A main aspect of the draft legislation is the exemption of Swiss-domiciled legal entities and foreign investors from withholding tax on Swiss domestic interest-based investments. In essence, the draft legislation would replace the current debtor-based regime applicable to interest payments with a paying agent-based regime for Swiss withholding tax. Broadly, this paying agent-based regime would (i) subject all interest payments made through paying agents in Switzerland to individuals resident in Switzerland to Swiss withholding tax and (ii) exempt from Swiss withholding tax interest payments to all other persons, including to Swiss-domiciled legal entities and foreign investors (other than for indirect interest payments via foreign and domestic collective investments vehicles). If such a new paying agent-based regime were to be enacted and were to result in the deduction or withholding of Swiss withholding tax on any interest payments in respect of the Metal Securities, the Metal Securities holders would not be entitled to receive any additional amounts as a result of such deduction or withholding under the terms of the Metal Securities. However, the results of the consultation, which ended on 10 July 2020, were controversial. Consequently, on 15 April 2021, the Swiss Federal Council

submitted new draft legislation on the reform of the Swiss withholding tax system providing for the abolition of Swiss withholding tax on interest payments on bonds for submission to the Swiss Federal Parliament, which legislation was accepted by the Swiss Parliament on 17 December 2021. The legislation has been rejected in a referendum held on 25 September 2022. Notwithstanding the foregoing, if a new paying agent-based regime were to be enacted as contemplated by the draft legislation published on 3 April 2020 and were to result in the deduction or withholding of Swiss withholding tax on any payment in respect of a Metal Security by any person in Switzerland other than the Issuer, the holder of such Metal Security would not be entitled to any additional amounts with respect to such Metal Security as a result of such deduction or withholding under the Conditions.

Income Taxation - Metal Securities held as Private Assets by a Swiss resident Holder

(a) Structured Notes

14.112 If a Metal Security is classified as a structured note, its income taxation in Switzerland depends on whether the bond and the derivative financial instrument(s) embedded therein are recorded separately from each other and whether the Metal Security is classified as a structured note with or without a predominant one-time interest payment (a structured note is classified as a note with a predominant one-time interest payment if the one-time interest payment exceeds the sum of the periodic interest payments):

14.113 *Non-transparent Structured Notes*: If the bond is not recorded separately from the embedded derivative financial instrument(s), the Metal Security is classified as Non-transparent Structured Note and any return over the initial investment is classified as a taxable interest payment. Non-transparent Structured Notes generally include a predominant one-time interest payment and are taxed in accordance with the principles set forth below under "*Bonds with a predominant one-time interest payment*".

14.114 *Transparent Structured Notes without a predominant one-time interest payment*: If the bond is recorded separately from the embedded derivative financial instrument(s) and the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time interest payment (see below "*Transparent Structured Notes with a predominant one-time interest payment*"), then any such periodic interest payment, and the non-predominant one-time interest payment, if any, is taxed when paid to the holder of the Metal Security. A gain (including interest accrued) or a loss realised on the sale of such a Metal Security is a tax-free private capital gain or a non-tax-deductible private capital loss, respectively (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*"). The same applies if such a Metal Security is redeemed, except that interest accrued is taxed when paid.

14.115 *Transparent Structured Notes with a predominant one-time interest payment*: If the bond is recorded separately from the embedded derivative financial instrument(s) and if the yield-to-maturity predominantly derives from a one-time interest payment such as an original issue discount or a repayment premium and not from periodic interest

payments, then any periodic interest payments constitute, and upon the redemption or sale of the Metal Security, the difference between the value of the bond at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss francs at the exchange rate prevailing at the time of redemption or sale, and at the time of issuance or purchase, respectively (modified differential taxation method), constitutes, taxable income. A value decrease on the bond realised on the redemption or sale of the Metal Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment. Any residual return realised on the embedded derivative financial instrument(s) is a tax-free private capital gain, and any residual loss is a non-tax-deductible private capital loss (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*").

(b) Bonds

14.116 *Bonds without a predominant one-time interest payment*: If a Metal Security is classified as a pure bond without a predominant one-time interest payment (the yield-to-maturity predominantly derives from periodic interest payments and not from a one-time-interest-payment), Swiss resident private investors will be taxed on the periodic and any one-time interest payments, if any, converted into Swiss francs at the exchange rate prevailing at the time of the relevant payment. A gain (including interest accrued) or a loss realised on the sale of such a Metal Security is a tax-free private capital gain or a non-tax-deductible private capital loss, respectively (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*").

14.117 *Bonds with a predominant one-time interest payment*: If a Metal Security is classified as a pure bond with a predominant one-time interest payment (the yield-to-maturity predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments), then any periodic interest payments constitute, and upon the redemption or sale of the Metal Security, the difference between the value of the Metal Security at redemption or sale, as applicable, and its value at issuance or secondary market purchase, as applicable, converted, in each case, into Swiss francs at the exchange rate prevailing at the time of redemption or sale, and at the time of issuance or purchase, respectively (pure differential taxation method), constitutes, taxable income. A value decrease on the Metal Security realised on the redemption or sale of the Metal Security may be offset against any gains (including periodic interest payments) realised within the same taxation period from all instruments with a predominant one-time interest payment.

14.118 Certificates predominantly replicating interest bearing underlying, except actively managed certificates without a fixed maturity date (see below "*Fund-like Instruments*"), are classified as and taxed in accordance with the principles of Bonds.

(c) Pure Derivative Financial Instruments

14.119 Periodic and one-time dividend equalisation payments realised on a Metal Security that is classified as a pure derivative financial instrument and which is held as part of

a holder's private assets constitute taxable investment income. Any other return on such a Metal Security will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*").

14.120 Pure Derivative Financial Instruments, for the avoidance of doubt, excluding Derivative Financial Instruments with an Interest Component (see below "*Derivative Financial Instruments with an Interest Component*"), include (i) call and put options, including options where the underlying is pre-financed by at least 50% at the time of issuance (Low Exercise Price Options) and with at maturity not exceeding one year, (ii) futures with a maturity not exceeding one year, (iii) futures with a maturity exceeding one year and a leverage of at least 4 at the time of issuance, and (iv) static certificates replicating an index or a basket of at least five non-interest bearing underlying and with a fixed maturity date or an annual redemption right.

(d) Derivative Financial Instruments with an Interest Component

14.121 Securities, which are classified as Derivative Financial Instruments with an Interest Component and which are held as part of a holder's private assets bear a taxable interest component corresponding to the swap rate of the currency of the Metal Securities. The interest component is taxed at redemption, or, if the Metal Securities have no fixed maturity date, generally at 31.12. of each calendar year. Any other return on such a Metal Security will be classified as a tax-exempt capital gain or a non-tax deductible capital loss (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*").

14.122 Pure Derivative Financial Instruments with an Interest Component include (i) Low Exercise Price Options with a maturity exceeding one year, (ii) futures on non-interest bearing underlying with a maturity exceeding one year and a leverage of below 4 at the time of issuance, (iii) futures on interest bearing underlying with a maturity not exceeding one year and a leverage of below 4 at the time of issuance, (iv) futures on interest bearing underlying with a maturity exceeding one year, and (v) static certificates replicating a basket of less than five non-interest bearing underlying and with a fixed maturity date or an annual redemption right.

(e) Fund-like Instruments

14.123 A Metal Security, classified as a fund-like instrument, will be considered a pass-through instrument for Swiss tax purposes if dividend and interest income (less attributable costs) from, and capital gains and losses (less costs attributable) realised on, the underlying investments, are reported and distributed separately. Under such conditions, an individual holding a fund-like Metal Security, as part of private assets only receives taxable income (which he or she must report annually) over such portion of the distributions (in case the fund is distributing the income realised on the underlying investments) or earnings credits (in case the fund is reinvesting the income realised on the underlying investments) as derived from dividends and interest (less attributable costs) on the underlying instruments. Any distributions or credits deriving from capital gains realised on the underlying investments constitute a tax-free private capital gain and any respective loss on the underlying investments

is a non-tax-deductible private capital loss. Any gain realised within a taxation period on the sale of a fund-like Metal Security (including accrued dividends and interest) is exempt from income taxation as a private capital gain, and, conversely, any loss realised within a taxation period on the sale of a fund-like Metal Security a non-tax-deductible capital loss (see below "*Capital Gains - Metal Securities held as Private Assets by a Swiss resident holder*").

14.124 Fund-like Instruments include (i) certificates replicating one or a basket of collective investment schemes, (ii) actively managed certificates predominantly replicating non-interest bearing underlying, (iii) actively managed certificates predominantly replicating interest bearing underlying and without a fixed maturity date, (iv) static certificates predominantly replicating non-interest bearing, but including interest bearing underlying, and (v) static certificates replicating an index or a basket of at least five non-interest bearing underlying and without a fixed maturity date or an annual redemption right.

Income Taxation - Metal Securities held as Assets of a Swiss Business

14.125 Corporate entities and individuals who hold Metal Securities as part of a trade or business in Switzerland, in the case of residents abroad carried on through a permanent establishment or a fixed place of business in Switzerland, are required to recognise any payments on, and any capital gains or losses realised on the sale or redemption of, such Metal Securities (irrespective of their classification) in their income statement for the respective taxation period and will be taxed on any net taxable earnings for such period.

14.126 The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, inter alia, frequent dealing and leveraged investments in securities.

Capital Gains Taxation - Metal Securities held as Private Assets by a Swiss resident Holder

14.127 Any gain or any loss realised by an individual resident in Switzerland for tax purposes upon the sale or other disposal of a Metal Security held as part of his or her private assets is a tax-free private capital gain, or a non-tax deductible capital loss, respectively, unless such individual is classified, for income tax purposes, as a "professional securities dealer" for reasons of, inter alia, frequent dealing and leveraged investments in securities. If an individual is classified as "professional securities dealer" he or she will be taxed in accordance with the principles set forth above under "*Metal Securities held as Assets of a Swiss Business*". In relation to the bifurcation of a tax-exempt capital gains component, or a non-tax deductible capital loss component from taxable income components of a Metal Security, see the bifurcation principles set forth above with regard to the different instruments under "*Income Taxation - Metal Securities held as Private Assets by a Swiss resident Holder*".

Capital Gains Taxation - Metal Securities held as Assets of a Swiss Business

14.128 Capital gains realised on Metal Securities held as part of a trade or business in Switzerland, are taxed in accordance with the taxation principles set forth above under "*Income Taxation - Metal Securities held as Assets of a Swiss Business*".

Swiss Federal Issue Stamp Tax

14.129 The Metal Securities are not subject to Swiss federal issue stamp tax on the issuance of securities.

Swiss Federal Securities Turnover Tax

14.130 The issuance of Metal Securities that are classified as Fund-like Instruments is subject to Swiss federal securities turnover tax of up to 0.3 per cent. on the consideration paid if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies. The issuance of Metal Securities classified other than Fund-like Instruments are not subject to Swiss federal securities turnover tax.

14.131 Dealings in Metal Securities that are classified as (i) Pure Derivative Financial Instruments or (ii) Bonds or Structured Notes or Derivative Financial Instruments with an Interest Component and with a maturity not exceeding one year are not subject to Swiss federal securities turnover tax.

14.132 Dealings in Metal Securities which are classified as (i) Fund-like Instruments or (ii) Bonds or Structured Notes or Derivative Financial Instruments with an Interest Component and with a maturity exceeding one year are subject to Swiss federal securities turnover tax of up to 0.3 per cent. on the consideration paid if a Swiss securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

14.133 The delivery of an underlying taxable Metal Security at exercise or redemption to the holder of the Metal Security, is subject to Swiss federal securities turnover tax of up to 0.3 per cent. if a Swiss domestic securities dealer (as defined in the Swiss federal stamp tax act) is a party or intermediary to the transaction and no exemption applies.

Gift, Inheritance and Estate Taxes

14.134 Subject to an applicable tax treaty in an international situation, transfers of Metal Securities may be subject to cantonal and/or communal inheritance tax, estate tax or gift tax if the deceased person has had his or her last domicile in Switzerland, the donor is resident in Switzerland, respectively, or, in the case of a foreign deceased or resident person, the transfer involves an unincorporated business in Switzerland and Metal Securities are held as part of such business. No such taxes exist at the federal level. Rates depend upon the existing relationship (i.e. the relationship between the deceased and the heirs, or between the donor and the donee) and the size of the inheritance or gift. Interspousal gifts and gifts to descendants, and inheritances collected by the surviving spouse and descendants are frequently

exempt or taxed at low rates (up to 6 per cent.). Gifts and inheritances received from unrelated persons attract rates ranging from 20 per cent. to 40 per cent. The taxable base is usually the market value of the property transferred.

Net Worth and Capital Taxes

14.135 A holder of Metal Securities, who is an individual resident in Switzerland, for tax purposes, or is a non-Swiss resident holding Metal Securities, as part of a Swiss business operation or a Swiss permanent establishment, is required to report Metal Securities as part of private wealth or as part of Swiss business assets, as the case may be, and is subject to annual cantonal and/or communal private wealth tax on any net taxable wealth (including the Metal Securities), in the case of a non-Swiss resident individual holding Metal Securities as part of a Swiss business operation or a Swiss permanent establishment, to the extent the aggregate taxable wealth is allocable to Switzerland. Incorporated holders of Metal Securities are subject to cantonal and communal capital tax on net taxable equity, in the case of non-Swiss resident entities holding Metal Securities as part of a Swiss permanent establishment, to the extent the aggregate taxable equity is allocable to Switzerland. No net worth and capital taxes exist at the federal level in Switzerland.

Non-Swiss resident Holders

14.136 A holder of a Metal Security who is not resident in Switzerland for tax purposes and who during the taxation year has not engaged in a trade or business carried on through a permanent establishment or fixed place of business in Switzerland will in respect of such Metal Security not be subject to income tax in Switzerland.

SECTION 15 – CLEARING AND SETTLEMENT

A. Issue

15.1 The Metal Securities may be issued:

(a) in bearer form, including in NGN form, and in CGN form and serially numbered Bearer Securities;

(b) in registered form, including in global registered form using the new safekeeping structure and in CGN form as Registered Securities; or

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities, as Uncertificated Registered Securities.

15.2 All Registered Securities of the same Class shall have the same Principal Amount. Bearer Securities shall not be exchangeable for Uncertificated Registered Securities.

B. Form and Title

15.3 Title to the Bearer Securities shall pass by delivery.

15.4 Title to the Registered Securities shall pass by registration in the Register.

15.5 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.

C. Relevant Clearing System

15.6 Custodial or safekeeping links have been (or will be) established with the Relevant Clearing System. At the date of this Prospectus, settlement of transactions in the Metal Securities will take place within Euroclear and Clearstream.

D. CREST

15.7 To the extent that Metal Securities are issued in Uncertificated Form, settlement of transaction in the Metal Securities will take place within the CREST system, as further described in Condition 3.6 (***Exchange of Uncertificated Registered Securities***).

E. What is CREST?

15.8 CREST is a paperless multi-currency electronic settlement platform enabling securities (including debt securities) to be:

(a) evidenced otherwise than by written instrument; and

(b) transferred electronically without a written instrument with effective delivery versus payment.

15.9 The Register in respect of such Metal Securities will be held in Ireland and governed by Irish law, in particular the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 of Ireland (S.I. No. 68/1996) (as amended), which means that there will be a written instrument evidencing the CREST Metal Securities, but any CREST Metal Securities that are shown in the relevant Register as being Uncertificated Metal Securities will be settled within the CREST system.

15.10 CREST Metal Securities will only be shown in the relevant Register as being Certificated Metal Securities if:

(a) the CREST system is closed for a continuous period of 14 calendar days or more;

(b) CREST announces an intention permanently to cease business or does in fact do so;

(c) a holder ceases to be a CREST member; or

(d) if the CREST Securities need to be in the form of Certificated Securities for any other reason the Issuer deems necessary (for example, if it were required to effect a listing on another stock exchange or to permit trading on another electronic trading platform).

F. Euroclear and Clearstream

15.11 Euroclear and Clearstream 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.

15.12 Euroclear and Clearstream provide to their respective participants ("**Participants**"), services including:

(a) safekeeping and administration;

(b) clearance and settlement of internationally traded securities; and

(c) securities lending and borrowing.

15.13 Persons who clear through or maintain a custodial relationship with a Participant can access these services either directly or indirectly.

15.14 Distributions of principal with respect to book-entry interests in the Metal Securities held through Euroclear and Clearstream will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of the relevant Participant in accordance with the Relevant Clearing System's procedures applicable to Metal Securities traded on the relevant platform.

15.15 Where the Final Terms indicate that a Class of Metal Securities is "intended to be held in a manner which would allow Eurosystem eligibility", such designation simply

means that the Metal Securities are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper) and does not necessarily mean that the Metal Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility. At the date of this Prospectus, Euroclear will be the Common Safekeeper.

15.16 Where the Final Terms indicate that a Class of Metal Securities is not "intended to be held in a manner which would allow Eurosystem eligibility", should the Eurosystem eligibility criteria be amended in the future such that the Metal Securities are capable of meeting them, the Metal Securities may then be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper). Note that this does not necessarily mean that the Metal Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility.

G. Records

15.17 Metal Securities may be accepted for clearance through any Relevant Clearing System (which are the entities in charge of keeping the records). Metal Securities will be cleared through the Relevant Clearing System in whole numbers of Metal Securities only (for these purposes a Metal Security may be referred to as a unit by the Relevant Clearing System).

15.18 The International Securities Identification Number (ISIN) for each Class Securities will be set out in the applicable Final Terms.

15.19 The address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London, EC4M 5SB.

15.20 The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

15.21 The address of Clearstream is 42 Avenue JF Kennedy L-1855 Luxembourg.

SECTION 16 – SELLING RESTRICTIONS

A. General

16.1 The Metal Securities are not subject to any restrictions on transferability. The following restrictions on offer and sales apply.

16.2 Only Authorised Participants may subscribe for Metal Securities from the Issuer. The Authorised Participant(s) in respect of each Class of Metal Securities will be specified in the relevant Final Terms.

16.3 This document has been approved as a Prospectus by the Central Bank in its capacity as competent authority under the EU Prospectus Regulation and as a base prospectus by the FCA under the PRM.

16.4 The Issuer has requested the Central Bank to provide the competent authorities in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the EU Prospectus Regulation.

16.5 The Issuer may in due course request the Central Bank to provide competent authorities in additional EEA States with such certificates. The provisions set out in this section "**Selling Restrictions**" should be construed accordingly.

B. EEA Non-Exempt Offers

16.6 This 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 (i) Article 1(4) of the EU Prospectus Regulation ("**EEA Non-exempt Offers**") in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden (each, an "**EEA Non-exempt Offer Jurisdiction**" and together, the "**EEA Non-exempt Offer Jurisdictions**"). Any person making or intending to make an EEA Non-exempt Offer of Metal Securities on the basis of this Prospectus must do so only with the Issuer's consent as described below.

16.7 In the context of any EEA Non-exempt Offer of Metal Securities, the Issuer accepts responsibility, in each of the EEA Non-exempt Offer Jurisdictions , for the content of this Prospectus in relation to any person who purchases any Metal Securities in an EEA Non-exempt Offer made by an Authorised Participant, where that offer is made during the Offer Period (as defined below), in accordance with the EU Prospectus Regulation.

16.8 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 Prospectus by any other person in connection with any offer of the Metal 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, HANetf, accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

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

16.10 The Issuer consents to the use of this Prospectus (as supplemented at the relevant time, if applicable) in connection with any EEA Non-exempt Offer of a Tranche of Metal Securities in the EEA Non-exempt Offer Jurisdictions during the Offer Period by any Authorised Participant named in the relevant Final Terms or any other financial intermediary in respect of the relevant Class of Metal Securities which is an investment firm within the meaning of MiFID2 and which is authorised in accordance with MiFID 2 in the relevant EEA State (each an "**Authorised Offeror**"), provided that such Authorised Offeror complies with the selling restrictions set out herein. The Issuer will publish on its website (https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents) information relating to any new Authorised Offeror that was not an Authorised Offeror as at the date of this Prospectus.

16.11 **Any Authorised Offeror using this Prospectus must state on its own website that it uses this Prospectus in accordance with the consent and conditions contained in this Prospectus.**

C. Arrangements Between a Securityholder and the Authorised Participant who will distribute the Metal Securities

16.12 Neither the Issuer nor, for the avoidance of doubt, HANetf has any responsibility for any of the actions of any Authorised Participant (or any such other person purporting to be an Authorised Offeror), including compliance by an Authorised Participant with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

16.13 A prospective Securityholder intending to acquire or acquiring any Metal Securities from an Authorised Participant will do so, and offers and sales of the Metal Securities to such prospective Securityholders by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between that Authorised Participant and such prospective Securityholder including as to price, allocations and settlement arrangements. **These terms shall be provided to such prospective Securityholder by that Authorised Participant at the time the offer is made**. The Issuer will not be a party to any such arrangements with such prospective

Securityholder and, accordingly, this Prospectus does not contain such information. None of the Issuer or, for the avoidance of doubt, HANetf or other Authorised Participant has any responsibility or liability for such information.

16.14 The Issuer has consented to the use of this Prospectus, and has accepted responsibility for the content of this Prospectus, with respect to subsequent resale or final placement by way of public offer of the Metal Securities in any of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden by any Authorised Offeror. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the Prospectus Date (the "**Offer Period**") unless such consent is withdrawn prior to that date by notice published on the Issuer's Website. Any public offer of the Metal Securities in Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden will be conducted by an Authorised Offeror in accordance with the EU Prospectus Regulation.

D. Offers by Authorised Participants

16.15 In the event of a public offer in any EEA Non-exempt Offer Jurisdiction or the United Kingdom, the Metal Securities may be offered and sold to persons who are legally eligible to participate in a public offering of such securities in such jurisdiction under applicable laws and regulations.

16.16 In relation to each EEA State, by entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date, it has not made and will not make an offer of Metal Securities which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms to the public in that EEA State, except that it may, with effect from and including the Prospectus Date, make an offer of such Metal Securities to the public in that EEA State:

(a) in the case of an EEA Non-exempt Offer, provided that any such prospectus has subsequently been completed by the final terms contemplating such EEA Non-exempt Offer, in accordance with the EU Prospectus Regulation, following the Prospectus Date in relation to such Metal Securities which have been approved by the competent authority in the relevant EEA State, or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable;

(b) at any time to any legal entity which is a qualified investor as defined in the EU Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the EU 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

(d) at any time in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Metal Securities referred to above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 8 of the EU Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the EU Prospectus Regulation.

16.17 For the purposes of the provision above, the expression an "offer of Metal Securities to the public" in relation to any Metal Securities in any EEA State means a communication in any form and by any means, presenting sufficient information on the terms of the offer and the Metal Securities to be offered, so as to enable an investor to decide to purchase those Metal Securities.

16.18 In relation to the United Kingdom, by entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date, it has not made and will not make an offer of Metal Securities which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms to the public in the United Kingdom, except that it may, with effect from and including the Prospectus Date, make an offer of such Metal Securities to the public in that United Kingdom:

(a) at any time where the offer is conditional on the admission of the Metal Securities to trading on the Main Market of the London Stock Exchange (in reliance on the exemption in paragraph 6(a) of Schedule 1 to the POATRs);

(b) at any time to a legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(c) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the issuer for any such offer; or

(d) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

16.19 For the purposes of the provision above, the expression "offer" in relation to any Metal Securities in the United Kingdom means the communication in any form by any means of sufficient information on the terms of the offer and the Metal Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Metal Securities and the expression "POATRs" means the Public Offers and Admissions to Trading Regulations 2024.

E. UK Selling Restrictions

16.20 Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees that:

(a) 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 Metal Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Metal Securities in, from or otherwise involving the United Kingdom.

F. Irish Selling Restrictions

16.21 Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Metal Securities, or do anything in Ireland in respect of the Metal Securities, otherwise than in conformity with the provisions of:

(a) the EU Prospectus Regulation, Commission Delegated Regulation (EU) 2019/980 (as amended) (the PR Regulation), Commission Regulation (EU) 2019/979 (as amended) (the RTS Regulation) and any applicable supporting law, rule or regulation and any Central Bank rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014 (as amended);

(b) the Companies Act 2014 (as amended);

(c) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of practice and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

(d) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (as amended), the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU or CSMAD or MAD II), the European Union (Market Abuse) Regulations 2016 (as amended) and any Central Bank rules issued and/or in force pursuant to Section 1370 of the Companies Act 2014 (as amended);

(e) 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) (as amended); and

(f) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

G. US Selling Restrictions

16.22 The Metal Securities have not been, and will not be, registered under the Securities Act or under the securities law of any state or political sub-division of the United States or any of its territories, possessions or other areas subject to its jurisdiction, and the Issuer has not been and will not be registered under any federal laws of the United States. The Metal Securities include Metal Securities in bearer form that are subject to US tax law requirements.

16.23 No person has registered nor will register as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the "**CEA**") and the rules thereunder (the "**CFTC Rules**") of the commodity futures trading commission (the "**CFTC**"). Any offer or sale of the Metal Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("**Regulation S**").

16.24 The Metal Securities may not at any time be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, persons who are either "US Persons" as defined in Regulation S or persons who do not come within the definition of a "Non-United States Person" under CFTC Rule 4.7 (excluding for the purposes of subsection (d) thereof, the exception to the extent it would apply to persons who are not Non-United States Persons).

16.25 Metal 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 Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal

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 Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of the Metal Entitlement per Security prevailing at the time such transfer is voided. Terms used in this paragraph 14.19 have the meanings given to them by the Code.

H. Swiss Selling Restrictions

16.26 Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees as follows:

(a) Subject to paragraph (b) below: (i) the Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the FinSA and will not be admitted to trading on a trading venue (exchange or multilateral trading facility) in Switzerland; (ii) neither this Prospectus nor any Final Terms nor any other offering or marketing material relating to any Securities (A) constitutes a prospectus as such term is understood pursuant to the FinSA or (B) has been or will be filed with or approved by a Swiss Review Body; and (iii) neither this Prospectus nor any Final Terms nor other offering or marketing material relating to any Securities may be publicly distributed or otherwise made publicly available in Switzerland.

(b) Notwithstanding paragraph (a) above, (i) if and when this Prospectus (together with any supplements hereto) has been automatically recognised in accordance with article 54(2) of the FinSA by a Swiss Review Body as a base prospectus within the meaning of article 45 of the FinSA, and published in accordance with the FinSA, this Prospectus (as supplemented from time to time) may be used, subject to any other applicable requirements under the FinSA or the Swiss Financial Services Ordinance of 6 November 2019 ("**FinSO**"), for any public offering of Securities in Switzerland and/or application for the admission to trading of Securities on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland; and (ii) otherwise, in respect of any Securities to be issued, the Issuer and the relevant Authorised Participant(s) may agree that (A) such Securities may be publicly offered in Switzerland within the meaning of the FinSA and/or (B) an application will be made by (or on behalf of) the Issuer to admit such Securities to trading on the SIX Swiss Exchange or any other trading venue (exchange or multilateral trading facility) in Switzerland, provided that the Issuer and the relevant Authorised Participant(s) agree to comply, and comply, with any applicable requirements of the FinSA in connection with such offering and/or application for admission to trading.

(c) Under no circumstances may Securities with a derivative character within the meaning of article 86(2) of the FinSO be offered or recommended to private clients within the meaning of the FinSA in Switzerland, unless a key information document (*Basisinformationsblatt*) pursuant to article 58(1) FinSA

(or any equivalent document under the FinSA) has been prepared in relation to such Securities.

(d) Securities issued under the Programme will be exchange traded products for Swiss law purposes and will not constitute participations in a collective investment scheme within the meaning of the CISA. Therefore, the Securities are neither governed by the CISA nor subject to the approval of, or supervision by FINMA, and investors in the Securities will not benefit from protection under the CISA or supervision by FINMA.

SECTION 17 – ADDITIONAL INFORMATION

A. General

17.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the Issuer's financial position or profitability.

B. Sources

17.2 Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the referenced third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

17.3 Where third party information is used in this Prospectus, the source of such information is identified.

17.4 Other than in relation to the documents which are deemed to be incorporated by reference, any website mentioned in this Prospectus does not form part of the Prospectus.

C. Documents Available for Inspection

17.5 For the duration of the Programme or so long as any Metal Securities remain Outstanding, copies of the following documents will be available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland, during normal business hours on any Dublin Business Day, and also on the Issuer's website at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents:

(a) the constitution of the Issuer;

(b) this Prospectus;

(c) each Trust Deed;

(d) each Security Deed;

(e) the Custody Agreements;

(f) each Metal Agent Agreement;

(g) the Management and Determination Agent Agreement;

(h) the Administration Agreement;

(i) the FX Overlay Agreement;

(j) the ISDA Master Agreement; and

(k) the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published).

The Issuer reserves the right to redact certain provisions related to sensitive commercial matters and certain procedures for security reasons.

17.6 The constitution of the Issuer and the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published) are also available in electronic format at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents.

D. Issue Price

17.7 The issue price is the Metal Entitlement per Security and will be determined before filing of the applicable Final Terms of each Class based on the prevailing market conditions.

E. Post-Issuance Information

17.8 In respect of a Class of Metal Securities, the Issuer will publish (a) the Metal Entitlement per Security of each Class as described in **Section 10 – Determining the Value of an Investment in Metal Securities**; and (b) new information with respect to Authorised Participants unknown at the time of the Prospectus Date or the relevant Final Terms (as the case may be) on the Issuer's Website. In addition, the Issuer publishes the Bar List on each Business Day, which contains details of each bar of Underlying Metal held in the Secured Allocated Accounts (or, if applicable, the Secured Allocated Account (FX Hedge)).

17.9 Save as mentioned in this section entitled ***Post-Issuance Information***, the Issuer does not intend to provide any post-issuance information in relation to any Class of Metal Securities or the performance of any underlying assets.

F. Irish Regulatory Notices

17.10 The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Metal Securities. Any investment in the Metal Securities does not have the status of a bank deposit and will not be within the scope of the Deposit Guarantee Scheme operated by the Central Bank.

G. Irish Listing Agent

17.11 Arthur Cox Listing Services Limited, as the Irish Listing Agent, is acting solely in its capacity as listing agent in respect of the approval of this Prospectus by the Central Bank only for the Issuer in connection with the Metal Securities and is not seeking admission of the Metal Securities to the official list of the Irish Stock Exchange plc, trading as Euronext Dublin or to trading on the Irish Stock Exchange plc, trading as Euronext Dublin for the purposes of the EU Prospectus Regulation.

H. Data Protection Notice

17.12 By completing the Subscription Form or the Redemption Form, a Securityholder is providing personal data to the Issuer. This Data Protection Notice is intended to ensure that the Securityholder is aware of what personal data the Issuer holds and how that data is used. The Issuer will use the Securityholder's personal data only for the purposes and in the manner set forth below which describes the steps taken to ensure that the processing of personal data is in compliance with the General Data Protection Regulation ((EU) 2016/679) ("**GDPR**"), the retained EU law version of GDPR ("**UK GDPR**") and any implementing legislation thereunder ("**Data Protection Legislation**").

17.13 The Securityholder has the right to object to the processing of its personal data where that processing is carried out for the Issuer's legitimate interests.

17.14 This Data Protection Notice applies to Securityholders and to third parties whose information is provided by a Securityholder to the Issuer. The Issuer shall be considered a data controller in accordance with the Data Protection Legislation.

17.15 The Securityholder must ensure that it provides a copy of this Data Protection Notice to any third parties whose personal data is provided to the Issuer. This Data Protection Notice applies to all personal data processed by the Issuer regardless of the media on which it is stored. The Issuer may update this Data Protection Notice at any time and will notify the Securityholder in writing of any changes.

17.16 Personal data is any data relating to a living person who can be identified directly from that data, or indirectly in conjunction with other information. The Issuer will hold some or all of the following types of personal data: name, address, date of birth, bank details, telephone recordings etc. This personal data will be used by the Issuer for the purposes of:

(a) carrying out legal and regulatory obligations which can include compliance with anti-money laundering and counter-terrorist financing laws and regulations;

(b) disclosing personal data where required to do so by law or regulation which may include disclosure to third parties such as the auditors, the Irish Revenue Commissioners or other relevant tax authorities pursuant to applicable law; and

(c) for any other legitimate business interests of the Issuer or a third party to whom the data is disclosed, where such interests are not overridden by the interests of the data subject, including for statistical analysis and market research purposes.

17.17 Personal data will only be processed to the extent necessary for the purposes set out above for the Issuer's legitimate business interests. The Issuer will also process personal data as necessary to comply with legal obligations. The Issuer will inform the Securityholder in advance if it intends to further process personal data for a

purpose other than as set out above. The Issuer may also seek the Securityholder's specific consent to the processing of personal data for other specific purposes. The Securityholder will have the right to withdraw such consent at any time.

17.18 Failure to provide the required data may result in the Issuer being unable to process a Subscription Form or a Redemption Form, whichever is applicable. The Issuer will inform the Securityholder where the information asked for is a contractual requirement or needed to comply with legal obligations.

17.19 The Securityholder's personal data will be disclosed to, and processed by, the Administrator, (who will be a data processor under the Data Protection Legislation) for the purposes of carrying out the services for the Issuer and to comply with legal and regulatory obligations, including anti-money laundering legislation or foreign regulatory requirements. The Administrator may in turn disclose the Securityholder's personal data to agents or other third parties where necessary to carry out these purposes.

17.20 The Issuer may also disclose the Securityholder's personal data to:

(a) the money laundering reporting officer, HANetf (and, to the extent different, the Determination Agent), and any duly authorised agents and related, associated or affiliated companies;

(b) the Irish Revenue Commissioners;

(c) HM Revenue & Customers;

(d) the Central Bank;

(e) the FCA;

(f) agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements; and

(g) other third parties including financial advisors, regulatory bodies, auditors, technology providers.

17.21 The Issuer will take all reasonable steps, as required by Data Protection Legislation, to ensure the safety, privacy and integrity of the Securityholders personal data and where appropriate, enter into contracts with such third parties to protect the privacy and integrity of such data and any information supplied.

17.22 The Issuer may transfer the Securityholder's personal data to countries outside of Ireland which may not have the same data protection laws as Ireland. The Securityholder's personal data will not be transferred to a country outside of the EEA or the UK (as applicable) unless that country ensures an adequate level of data protection. The Issuer will take all steps reasonably necessary to ensure that personal data is treated securely, and that appropriate safeguards are in place to protect the privacy and integrity of such personal data, in accordance with Data Protection

Legislation. The Securityholder should contact the Issuer if it wishes to obtain information concerning such safeguards.

17.23 The Issuer takes all reasonable steps as required by Data Protection Legislation to ensure the safety, privacy and integrity of the Securityholder's personal data. The Issuer will retain personal data only for so long as is necessary to carry out the purposes set out above and to comply with any legal obligations. In determining appropriate retention periods, the Issuer shall have regard to the requirements of the Central Bank and its obligations to retain information, including under anti-money laundering, revenue and tax legislation.

17.24 The Securityholder has a right to obtain a copy of, and the right to rectify any inaccuracies in, the personal data that the Issuer holds by making a request in writing. The Securityholder also has the right to request erasure, restriction, portability or object to the processing of personal data or not to be subject to a decision based on automated processing, including profiling. The Securityholder should inform us of any changes to personal data. The Issuer will respond to requests in writing, or orally if requested, as soon as practicable and in any event not more than one month after receipt of a request.

17.25 The Securityholder has the right to lodge a complaint with the Data Protection Commission if unhappy with how its personal data is being handled. If the Securityholder has any queries regarding this Data Protection Notice, it should contact the Issuer at complaints@hanetf.com.

SECTION 18 – DIRECTORY

ISSUER
HANetf ETC Securities plc
2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

CUSTODIAN
The Royal Mint Limited
Llantrisant, Pontyclun,
CF72 8YT, United Kingdom

DIRECTORS OF ISSUER
Ciaran Connolly
David Murphy
David O'Neill

TRUSTEE & SECURITY TRUSTEE
The Law Debenture Trust Corporation p.l.c.
Eighth Floor, 100 Bishopsgate
London EC2N 4AG, United Kingdom

ADMINISTRATOR
Apex Fund Services (Ireland) Limited
2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

REGISTRAR
The Bank of New York Mellon, SA/NV
Luxembourg Branch
Vertigo Building – Polaris, 2-4 Rue Eugène Ruppert, L-2453 Luxembourg

MANAGEMENT AND DETERMINATION AGENT
HANetf Limited
107 Cheapside, London EC2V 6DN,
United Kingdom

TRANSFER AGENT
The Bank of New York Mellon, SA/NV,
Luxembourg Branch
Vertigo Building – Polaris, 2-4 Rue Eugène Ruppert, L-2453 Luxembourg

ISSUING AND PAYING AGENT
The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London, EC4V 4LA, United Kingdom

CORPORATE SERVICES PROVIDER
Apex Corporate Services (Ireland) Limited
2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

FX HEDGE COUNTERPARTY
HSBC Bank Plc
8 Canada Square, London E14 5HQ
United Kingdom

ACCOUNT BANK
The Bank of New York Mellon, London Branch
160 Queen Victoria Street
London, EC4V 4LA, United Kingdom

AUDITORS
EY
Harcourt Centre, Harcourt Street,
Dublin 2, Ireland

IRISH LISTING AGENT
Arthur Cox Listing Services Limited
Ten Earlsfort Terrace
Dublin 2, D02 T380, Ireland

IRISH LEGAL ADVISERS TO THE ISSUER
A&L Goodbody LLP
25 North Quay,
Dublin 1, Ireland

ENGLISH LEGAL ADVISERS TO THE ISSUER
Simmons & Simmons LLP
CityPoint, 1 Ropemaker Street
London EC2Y 9SS, United Kingdom

ENGLISH LEGAL ADVISERS TO THE TRUSTEE AND SECURITY TRUSTEE
McCarthy Denning LLP
70 Mark Lane
London, EC3R 7NQ, United Kingdom

SWISS LEGAL ADVISERS TO THE ISSUER
Homburger AG
Prime Tower
Hardstrasse 201
8005 Zurich, Switzerland

ANNEX 1 - FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche is set out below (subject to the deletion of non-applicable provisions and/or instructions)

Final Terms dated [•][3]

Programme for the Issue of Metal Securities

HANETF ETC SECURITIES PLC (**the** "**Issuer**")

2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

Issue of [specify number of Metal Securities comprising the relevant Tranche] of [specify Class] issued under the Programme (the "**Tranche**")

These Final Terms (as referred to in the base prospectus dated 8 September 2026 (the "**Prospectus**") in relation to the above Programme) relates to the issue of the Metal Securities referred to above. Terms used in these Final Terms have the same meaning as in the Prospectus.

The Metal Securities have the terms provided for in the Conditions.

These Final Terms have been prepared for the purpose of the [EU Prospectus Regulation / PRM] and for filing with the [relevant competent authority for the purposes of Article 8(4) thereof] / [FCA for the purposes of PRM 2.3.9].

These Final Terms must be read in conjunction with the Prospectus and any supplement thereto, which are published on the Issuer's Website at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents pursuant to [Article 21 of the EU Prospectus Regulation] / [PRM 9.5.1 of the PRM]. An investor will only have full information on the Issuer and the offer of Metal Securities of [*specify Class*] if it reads these Final Terms and the Prospectus are read together.

[A summary of this individual issue is Annexed to these Final Terms.]

[*Include whichever of the following apply or specify as* "*Not Applicable*" (*N/A*)*. Note that italics denote guidance for completing the Final Terms.*]

[*When completing final terms or adding any other information, consideration should be given as to whether such terms or information constitute* "*significant new factors*" *and consequently trigger the need for a supplement to this Prospectus under [Article 23 of the EU Prospectus Regulation] / [PRM 10.1 of the PRM*].]

All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

Issuer (**and LEI**)	HANETF ETC SECURITIES PLC LEI: 635400GQU6WKILM5R975
Class	[●]
ISIN	[●]
[Swiss Valor Number]	[●]
Principal Amount	[●]

[3] All references to the Prospectus Regulation to be deleted in the event that the Metal Securities are listed on a non-EEA regulated market.

Trading Method	Units
Relevant Currency	[●]
Metal	Gold
FX Hedge	[FX Unhedged Metal Securities] / [FX Hedged Metal Securities]
(a) **[Metal Currency:**	[USD]/[●]]
(b) **[Metal Reference Price Source:**	[LBMA] / [●]]
(c) **[Metal Price Fixing Time AM:**	[10.30am] [London time]]
(d) **[Metal Price Fixing Time PM:**	[3pm] [London time]]
(d) **[Gold Dealing Charge:**	[USD 0.10]/[Not Applicable]]
(e) **[FX Forward Adjustment:**	[●]/[● pips]/[Not Applicable]]
[FX Spot Roll Reference Level:	FX Spot Reference Level mid-rate]
[FX Spot Change Reference Level:	FX Spot Reference Level bid (offer) for any decrease (increase) (as the case may be) in FX Notional]
[FX Spot Reference Level Source:	[●]]
(f) **[FX Hedge Expense:**	[0.047619 bps per day]]
(i) **[FX Notional Calculation Time:**	[1pm] [London time]]
(j) **[FX Hedge Time:**	[2pm] [London time]]
Aggregate number of the Class of Metal Securities to which these Final Terms apply:	[●]
(**a**) **Comprising the Tranche (A)** (**b**) **Prior to the issue of this Tranche** (**c**) **Immediately following the issue of this Tranche**	[●] [●] [= (a) + (b)]
Trade Date	[●]
Issue Date	[●]
Metal Entitlement per Security pertaining to this Tranche on the Trade Date (B)	[●]
Metal Entitlement (AxB)	[●]
Total Expense Ratio	[*as at issue date*]
Subscription Minimum	[●] [*not applicable*]

Subscription Maximum	[●] [*not applicable*]
Issue Price	100 per cent. of the Metal Entitlement per Security in respect of the Trade Date for a Subscription.
Specified Denominations	The Metal Securities may be traded in integral multiples of one
Interest Type	Zero coupon
Default Interest	Not applicable
Intended to be held in a manner which would allow Eurosystem eligibility	[Yes. Note that the designation "Yes" simply means that the securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][*include this text for registered notes*] and does not necessarily mean that the securities will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the securities are capable of meeting them the securities may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)][*include this text for registered notes*]. Note that this does not necessarily mean that the securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
Form	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]] [Registered Notes: The Global Notes will be registered in the name of a [nominee]/[common safekeeper]/[depositary] for [Euroclear and Clearstream, Luxembourg]] [Uncertificated Securities in dematerialised and registered form] [NGN Form: [not applicable]/[applicable]]

Redemption Date	[●] [*not applicable*]
Expenses or taxes charged to the subscriber or purchaser of this Tranche	[●] [*not applicable*]
Countries where the Prospectus has been notified	The Central Bank has provided the competent authorities of Austria, Belgium, Bulgaria, Croatia, Cyprus, Czechia (Czech Republic), Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the EU Prospectus Regulation.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser	[●]
Process for notifying applicants of the amount allotted and whether dealing may begin before notification is made	[●]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place	[●]
Name and address of any paying agents and depository agents in each country	[●]
Entities agreeing to underwrite the issue on a firm commitment basis, and entities agreeing to place the issue without a firm commitment or under "best efforts" arrangements. Where not all of the issue is underwritten, a statement of the portion not covered	[●]
Where the underwriting agreement has been or will be reached	[●]

Additional Information

Listing	[Application has been made for the Metal Securities of [*specify Class*] to be admitted to the official list of the FCA and for the Metal Securities to be admitted to trading on the Main Market of the London Stock Exchange.]/[Application has been made for the Metal Securities to be admitted to the official list of the Frankfurt Stock Exchange, the Borsa Italiana, the Warsaw Stock Exchange, [Euronext Paris] and for the Metal Securities to be admitted to trading on the regulated market thereof.]/[Application has been made for the Metal Securities to be admitted to listing and trading on the SIX Swiss Exchange.] [The earliest date on which the Metal Securities of Class [*specify Class*] will be admitted to trading on the [Main Market of the London Stock Exchange]/ [regulated market of [the Frankfurt Stock Exchange]/ [the Borsa Italiana]/ [Euronext Paris]/ [the Warsaw Stock Exchange]/ [the SIX Swiss Exchange]] will be [●].]
Relevant Stock Exchange(s)	[London Stock Exchange] [Frankfurt Stock Exchange] [Borsa Italiana S.p.A] [Euronext Paris] [Warsaw Stock Exchange] [SIX Swiss Exchange]
Reasons for the Offer	See section headed "*Use of Proceeds*" in the Prospectus
Relevant Clearing System	[●]
Agents	[*insert names and details of Registrar, Transfer Agent, Issuing and Paying Agent, Swiss paying agent, market maker and Administrator*] [In accordance with article 58a of the Listing Rules of the SIX Swiss Exchange, the Issuer has appointed Homburger AG, located at Hardstrasse 201, 8005 Zurich, Switzerland, as its representative to file the application with SIX Exchange Regulation AG in its capacity as competent authority for the admission to trading (including the provisional admission to trading) and listing of the Securities on the SIX Swiss Exchange.] [*include in the case of Securities to be admitted to trading and listed on the SIX Swiss Exchange*]
Authorised Participants	As at the Issue Date of the Tranche of Metal Securities to which these Final Terms relate: [*give name and address of institution*] The full list of Authorised Participants in respect of the Class from time to time will be published at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents (or such other website as may be notified to Securityholders).

LISTING AND ADMISSION TO TRADING APPLICATION

[These Final Terms comprise the final terms required to list and have admitted to trading the Tranche of Metal Securities described herein pursuant to the Programme.]

[Additionally, these Final Terms may be used, at the discretion of the relevant market operator, for the purpose of listing and trading any of the Aggregate number of the Class of Metal Securities to which these Final Terms apply.]

The Issuer may, from time to time (without the consent of the Trustee or any 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 this Tranche in all respects or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

[So far as the Issuer is aware, no person involved in the offer of the Metal Securities of [*specify Class*] has an interest material to the offer.]

Signed on behalf of the Issuer:

By: .....

Duly authorised

Form of Issue Specific Summary for the purposes of the EU Prospectus Regulations only

(Issuer to annex form of issue specific summary to the final terms for the purposes of the EU Prospectus Regulation only. For the avoidance of doubt, the issue specific summary does not form part of the Final Terms or the Prospectus for the purposes of the POATRs and the PRM.)

ANNEX 2 – FREQUENTLY ASKED QUESTIONS ("FAQS")

18.1 This section is intended to answer some of the questions, which a prospective investor may have when considering an investment in Metal Securities.

18.2 For the avoidance of doubt, this section is not intended to act as a summary of the Prospectus, the Programme, or as a substitute for any other information contained in this Prospectus.

18.3 A prospective Securityholder must read the entirety of this Prospectus (including the relevant Final Terms) before making an investment in Metal Securities.

	Question	Answer
General		
1.	**What are Metal Securities?**	Metal Securities are secured, undated, zero coupon debt securities issued by HANetf ETC Securities plc. The Metal Securities offer investors a means of investing in physical metal without being required to take delivery of that metal. This fungibility enables investors to buy and sell their interest in metal by way of trading a security on a stock exchange. A Class of Metal Securities may include a foreign exchange hedge component, and such Metal Securities are referred to as "FX Hedged Metal Securities" (see also the FAQs relating to FX Hedged Metal Securities below). Metal Securities which do not include a foreign exchange component are referred to as "FX Unhedged Metal Securities".
2.	**What are Gold Securities?**	Metal Securities of a Class backed by LBMA Good Delivery responsibly sourced gold bars are referred to as Gold Securities. Gold Securities and offer Securityholders exposure to physical gold held in custody by the Royal Mint as Custodian (or loco London with a Sub-custodian or a delegate of a Sub-custodian). As at the Prospectus Date, (a) The Royal Mint Responsibly Sourced Physical Gold ETC Securities, (b) The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, (c) The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and (d) The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities are Gold Securities.

	Question	Answer
3.	**How do the Metal Securities give exposure to physical metal?**	The Metal Securities are backed by physical precious metal held in the secure Vaults of a Custodian or of a Sub-custodian. The physical gold backing the Metal Securities demonstrates the capacity to produce funds to service any payments due and payable on the Metal Securities. Securityholders have the option to redeem their Metal Securities against the delivery of a metal equivalent to the Metal Entitlement of the Metal Securities being redeemed (less applicable fees). The Metal that backs the Metal Securities must meet the "Good Delivery" standards set by the LBMA in the case of gold.
4.	**How are Metal Securities traded?**	Only Authorised Participants may apply for Metal Securities directly with the Issuer, at a subscription price equal to the amount of the Metal Entitlement per Security on the relevant date. Once an Authorised Participant applies for Metal Securities with the Issuer, that Authorised Participant may: • choose to hold the Metal Securities itself; • sell those Metal Securities on a Relevant Stock Exchange; • sell those Metal Securities in the OTC Market; or • redeem the Metal Securities directly with the Issuer. Investors other than Authorised Participants are able to trade Metal Securities on any Relevant Stock Exchange or in the OTC Market.
5.	**Are Metal Securities guaranteed?**	No, the Metal Securities issued under the Programme will not be guaranteed by, or be the responsibility of, any entity other than the Issuer. Aside from the Issuer, no Programme Party, or any other person (including any Affiliate of the Issuer) is required to make payments on the Metal Securities of any Class. Specifically, the Metal Securities: (a) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme, including but not limited to the deposit protection scheme operated by the Central Bank or any client money protection scheme; (b) are not insured or guaranteed by any government, government agency or other body; and (c) by virtue of the issue of the Metal Securities, the Issuer is not regulated by the Central Bank. Consequently, if the Issuer were to fail to satisfy its obligations in respect of the Metal Securities, the Securityholders would have no

	Question	Answer
		recourse to any other person or ability to require any other person to make payments on behalf of the Issuer.
Storage		
6.	**Where and how is the Metal stored?**	The physical precious metals that back the Metal Securities are held in Vaults by the Custodian in the name of the Issuer on a segregated basis. The Metal attributable to the Metal Securities is held in secured allocated accounts, except for the portion held in unallocated accounts for short periods of time to maximise the efficiency of the Subscription and Redemption process. Metal may also be held in the Vaults of a Sub-custodian.
7.	**What is the Vault?**	In respect of (a) The Royal Mint Responsibly Sourced Physical Gold ETC Securities, and (b) the FX Hedged Gold Securities comprising (i) The Royal Mint Responsibly Sourced Physical Gold EUR Hedged ETC Securities, (ii) The Royal Mint Responsibly Sourced Physical Gold GBP Hedged ETC Securities and (iii) The Royal Mint Responsibly Sourced Physical Gold CHF Hedged ETC Securities, the Royal Mint's vault in Wales where the Royal Mint – as Custodian - holds metal backing the Metal Securities as Custodian.
8.	**What is an allocated account?**	Allocated accounts relating to the Metal Securities are held with a Custodian in the name of the Issuer. The allocated account evidences that uniquely identifiable bars of metal have been "allocated" to the Issuer and are segregated from other metal. The Issuer has full title to the Metal held in the Secured Allocated Accounts and there should not be any credit risk exposure to the Custodian as a result.
9.	**Is it possible to know which bars of Metal back the Metal Securities?**	Yes. The Custodian maintains a list of the physical metal it holds in allocated accounts – known as the Bar List - which can be found on the Issuer's Website at https://etp.hanetf.com/HANetf-Metal-Securities-Prospectus-Documents.
10.	**What is an unallocated account?**	The Custodian may hold Metal in unallocated accounts. Metal held in this form does not entitle the holder to any specific bars of Metal. Instead, the holder has a general entitlement to a certain amount of metal, which is recorded in the Custodian's books records. As the Metal held in the unallocated account is not segregated, this means that the Securityholder's position is that of an unsecured creditor, and it will have a credit risk exposure to the Custodian as a result.

	Question	Answer
Audit and Insurance		
11.	**Is the Metal audited?**	Yes. The metal held at the Custodian to back the Metal Securities is audited at least twice per year by an independent metal audit firm, Alex Stewart International (the "**Metal Auditor**"). As at the date of the Prospectus, the most recent audit report is available at: https://hanetf.com/wp-content/docs/AS%2036162%20(2).pdf The Metal Auditor inspects the Metal held at the Custodian to ensure that it matches in all respects the Metal disclosed as held on the Bar List.
12.	**Is the Metal insured?**	The Custodian maintains such insurance over the Metal held in its Vaults as it considers commercially reasonable (although it is under no duty to provide insurance for the benefit of the Issuer in respect of the Underlying Metal).
Roles of the Relevant Parties		
13.	**Who is the Custodian and what does it do?**	The Custodian in respect of each Class of the Gold Securities is The Royal Mint Limited. The Royal Mint Limited is a full member of the LBMA. The Custodian is responsible for the safekeeping of the Metal which backs the Metal Securities.
14.	**Who are the Trustee and the Security Trustee what do they do?**	The Trustee and the Security Trustee are each The Law Debenture Trust Corporation p.l.c., an independent entity whose role is to act as trustee on behalf of Securityholders in accordance with the Trust Deed and to act as security trustee on behalf of Securityholders and the other Secured Parties in accordance with the Security Deed. The Trustee holds its rights on behalf of Securityholders and the Security Trustee holds its right on behalf of Secured Parties. In exercising any discretion or making any determination required to be made by the Trustee or the Security Trustee, it will take into account the interest of the Securityholders of each Class of Metal Securities as a whole, but it is not required to take into account the interests of any individual Securityholder.
15.	**Who are the Authorised Participants?**	Authorised Participants are financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer. Only Authorised Participants are allowed to subscribe for Metal Securities directly with the Issuer.

	Question	Answer
		Authorised Participants may, but do not have to, act as market makers for the Metal Securities by buying and selling Metal Securities to and from investors either On-Exchange or in the OTC Market. The Authorised Participants and/or their respective affiliates may be active traders in the physical and financial emission allowance markets. These trading activities may present a conflict between: (i) the interests of the Securityholders; and (ii) the interests of the Authorised Participants in facilitating transactions (including options and other derivatives transactions) relating to the Underlying Metal, both in their proprietary accounts and for their customers in accounts under their management. These trading activities could give rise to conflicts of interest which are adverse to the interests of the Securityholders and could adversely affect the market value of the Metal 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 Metal Securities into consideration at any time.
16.	**What is the role of an Authorised Participant?**	Authorised Participants play a crucial role in intermediating between end investors and the Issuer by making Metal Securities available On-Exchange and in the OTC Market, which enables end investors to buy and sell Metal Securities using their ordinary brokerage accounts, without having to handle the underlying Metal. To facilitate these transactions, the Authorised Participants are entitled to: (a) subscribe for new Metal Securities directly with the Issuer by delivering the relevant Metal under an agreement between the Issuer and the Authorised Participant; and (b) redeem Metal Securities directly with the Issuer by receiving delivery of the relevant Metal from the Issuer. As noted in Q15, only Authorised Participants are allowed to subscribe for Metal Securities directly with the Issuer.
17.	**Will there always be at least one Authorised Participant?**	No, the Issuer cannot guarantee that there will always be at least one Authorised Participant. However, if there are no Authorised Participants, the Issuer has the right (but not the obligation) to trigger a Compulsory Redemption of the Metal Securities pursuant to Condition 8.2(b) by delivering an Agent Redemption Event Notice to the other Programme Parties and the Securityholders. The Issuer anticipates (but cannot guarantee) that it would deliver an Agent Redemption Event Notice in circumstances where there are or will be no Authorised Participants for a prolonged period of time.

	Question	Answer
18.	**Can a Securityholder take physical delivery of the underlying Metal?**	Yes, a Metal Security carries a right on Redemption to delivery in Metal of an amount equal to the Metal Entitlement per Security. In the case of a Non-AP Securityholder, this right is subject to certain qualifications (namely that it is not prohibited by law to hold metal, it specifies a metal account for the Metal to be transferred to and it passes the Issuer's KYC checks).
19.	**Who is the Metal Agent and what does it do?**	The Metal Agent is The Royal Mint Limited. The Metal Agent will, amongst other things, effect the sale of the relevant Metal where the required Redemption Mechanism is a Metal Sale.
Value of the Metal Securities		
20.	**What is the Metal Entitlement of a Class of FX Unhedged Metal Securities?**	The Metal Entitlement of a particular Class of FX Unhedged Metal Securities is the quantity (an amount in fine troy ounces) of the physical metal of the relevant type that each Metal Security represents. Examples of how the Metal Entitlement is calculated is set out in **Section 10 – Determining the Value of an Investment in Metal Securities.** The Issuer will calculate and publish the Metal Entitlement per Security in respect of each calendar day on its website.
21.	**What is the Total Expense Ratio?**	The Total Expense Ratio is the fee charged to Securityholders in respect of a Metal Security. This fee is charged to Securityholders by reducing the Metal Entitlement Per Security on a daily basis.
22.	**Will the Total Expense Ratio vary over time?**	The Total Expense Ratio may change. The Issuer may, upon 30 days' notice to Securityholders, amend the Total Expense Ratio in respect of a Class of Metal Securities. If the Issuer increases the Total Expense Ratio, this will result in the Metal Entitlement per Security being reduced at a faster rate than would otherwise have been the case had the Total Expense Ratio remained unchanged.
23.	**How do I determine the value of my investment?**	The value of an investment in Metal Securities will depend on the bid and offer prices on the Relevant Stock Exchange at the particular time. These prices are expected to be close to the cash value of the Metal Entitlement per Security at that time.
Investing in Metal Securities		
24.	**Who is the "holder" of the**	If the Metal Securities are held through a clearing system or by a bank's or broker's nominee (which will usually be the case), the legal "holder" will either be the entity nominated by the clearing system as

	Question	Answer
	Metal Securities?	the depositary for the Metal Securities or the person entered in the register (including where applicable the relevant CREST account holder) as the Securityholder. An investor's rights in relation to the Metal Securities will be governed by the contract the investor has with their broker, custodian or other entity through which the investor holds their interest in the Metal Securities and the contracts they have with the clearing system and any intermediaries in between. Accordingly, where this Prospectus describes a right as being owed to, or exercisable by, a Securityholder then an investor's ability to benefit from or exercise such right will be dependent on the terms of the contracts in such chain.
25.	**What is the minimum investment?**	The minimum investment in the secondary market is one Metal Security. Subscriptions by Authorised Participant will be subject to a Subscription Minimum.
26.	**Can an investor lose more than its initial investment?**	An investor who buys and holds its Metal Securities cannot lose more than its initial investment.
27.	**Can an investor lose all of its investment?**	Yes, an investor may lose some or all of its initial investment by virtue of the movements in the price of the Underlying Metal and application of the Total Expense Ratio and, in the case of FX Hedged Metal Securities, from losses relating to the relevant FX Hedge transactions and the application of the FX Hedge Expense (see also the FAQs relating to FX Hedged Metal Securities below).
28.	**Do Metal Securities pay interest?**	No. Metal Securities are zero coupon securities and do not pay interest.
29.	**Are investors charged a fee for holding Metal Securities?**	Yes, investors are charged a fee in respect of the holding of the Metal Securities. The Metal Entitlement Per Security is reduced each day by the Total Expense Ratio and, in the case of FX Hedged Metal Securities, the FX Hedge Expense (see also the FAQs relating to FX Hedged Metal Securities below). The deduction of the Total Expense Ratio is used to pay for the expenses incurred in relation to the relevant Class of Metal Securities, including the Management Fee due to HANetf under the Management and Determination Agent Agreement.
30.	**Do Metal Securities**	No, they do not. Metal Securities are undated securities and have no set maturity date.

	Question	Answer
	have a set maturity date?	
31.	**Are there any circumstances where the Metal Securities may be redeemed early?**	Yes, the Metal Securities may be redeemed early if the Issuer determines that a Compulsory Redemption Event has occurred in respect of the Metal Securities.
32.	**Are there transaction costs On-Exchange for buying and selling Metal Securities?**	Investors who buy and sell Metal Securities On-Exchange or in transactions other than with the Issuer may be charged additional costs by other parties (for example brokerage fees) in respect of those transactions.
33.	**Does it cost me money to redeem my Metal Securities?**	There are no Redemption Fees if a Securityholder sells its Metal Securities in the secondary market. However, if a Securityholder redeems the Metal Securities directly from the Issuer, a Redemption Fee applies. The cost of a Redemption varies depending on the type of Redemption and the nature of the Securityholder. In the case of an Optional Redemption, Metal Securityholders who are not Authorised Participants will be notified of the applicable fee upon redemption, which will not be greater than €600.
34.	**What is the LBMA Responsible Sourcing Programme?**	The LBMA Responsible Sourcing Programme is a mandatory independent audit programme for verifying and ensuring that the gold and silver supply chains are meeting international ethical standards. Information on the Responsible Sourcing Programme can be found here: https://cdn.lbma.org.uk/downloads/Publications/2021/Responsible-Gold-Guidance-Version-9-Final.pdf
FX Hedged Metal Securities		
35.	**What are the FX Hedged Metal Securities?**	If a Class of Metal Securities is denominated in a currency (i.e. the Relevant Currency) other than the currency in which the price of the relevant Metal is denominated (i.e. the Metal Currency), the Metal Entitlement per Security of such Class may include an FX Hedge component to convert the value of the Metal denominated in the Metal Currency into the Relevant Currency. Such Metal Securities are referred to as FX Hedged Metal Securities.

	Question	Answer
		The FX Hedge seeks to reduce the exposure to exchange rate fluctuations between the Relevant Currency and the Metal Currency.
36.	**How does the FX Hedge reduce the exposure to exchange rate fluctuations?**	The FX Hedge involves the notional forward sale of the Metal Currency and the notional forward purchase of the Relevant Currency, and this arrangement is designed to reduce the exposure of the Metal (and, therefore, the FX Hedged Metal Securities) to exchange rate fluctuations between such currencies. However, this arrangement does not fully eliminate exchange rate risks or fluctuations and, depending on movements in exchange rates, such FX Hedge may have a positive or negative impact on the Metal Entitlement per Security of the FX Hedged Metal Securities.
37.	**How does the FX Hedge affect the Metal Entitlement per Security?**	The FX Hedge may result in gains or losses, and such gains or losses (including the FX Hedge Expense) will be reflected in the Metal Entitlement per Security of the FX Hedged Metal Securities each day. The formula for the calculation of the Metal Entitlement per Security of FX Hedged Metal Securities will reflect the effect of a rolling FX Hedge entered into on a daily basis. Examples of how the Metal Entitlement is calculated is set out in Section 10 – Determining the Value of an Investment in Metal Securities. The Issuer will calculate and publish the Metal Entitlement per Security in respect of each calendar day on its website.
38.	**What is the FX Hedge Expense?**	The FX Hedge Expense is the Issuer's cost and expense incurred from its entry into the FX Hedge with the FX Hedge Counterparty as calculated by reference to a rate per day. The applicable FX Hedge Expense for each Class (i) as at the Issue Date of the relevant Tranche will be set out in the Final Terms of such Tranche and (ii) thereafter, will be such rate per day as may be charged by the FX Hedge Counterparty from time to time.
39.	**Who is the FX Hedge Counterparty and what does it do?**	As at the Prospectus Date, HSBC Bank plc is the sole FX Hedge Counterparty. The Issuer may appoint financial institutions or other entities as additional or replacement FX Hedge Counterparties. In relation to the FX Hedged Gold Securities, where there are net gains (including the FX Hedge Expense) in respect of all Classes of the FX Hedged Gold Securities, the FX Hedge Counterparty will deliver additional Gold to the Issuer equivalent to such gains under the FX Hedge Agreements. Where there are net losses (including the FX Hedge Expense) in respect of all Classes of the FX Hedged Gold Securities, the Issuer will be required to deliver Gold equivalent to such losses to the FX Hedge Counterparty under the FX Hedge Agreements. All such gains or losses from the FX Hedge will be netted across all Classes of FX Hedged Gold Securities, and converted into an amount of Gold for settlement on a daily basis in accordance with the FX Hedge Agreements.