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EXECUTION VERSION

Trust Instrument constituting Collateralised Currency Securities

Dated 05 November 2009

ETFS Foreign Exchange Limited
(the Issuer)

The Law Debenture Trust Corporation plc
(the Trustee)

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Trust Instrument

Dated 05 November 2009

Between

- (1) **ETFS Foreign Exchange Limited** a company incorporated under the laws of Jersey with registered number 103518, whose registered office is Ordnance House, 31 Pier Road, St. Helier, Jersey, Channel Islands, JE4 8PW (the **Issuer**); and
- (2) **The Law Debenture Trust Corporation plc** a company incorporated under the laws of England with registered number 1675231, whose registered office is at Fifth Floor, 100 Wood Street, London EC2V 7EX, England (the **Trustee**, which expression shall, wherever the context so admits, include such company and all other persons or companies for the time being the trustee or trustees of these presents) as trustee for the Security Holders (as defined below).

Recitals

- A By resolutions of the board of directors of the Issuer passed on 21 August 2009, the Issuer has resolved to create and issue up to US\$1 billion (subject to increase) in aggregate Principal Amount of each class of USD Collateralised Currency Securities and Euro 1 billion (subject to increase) in aggregate Principal Amount of each class of Euro Collateralised Currency Securities to be constituted by this Trust Instrument.
- B The Trustee has agreed to act as trustee of these presents for the benefit of the Security Holders upon and subject to the terms and conditions of these presents.

It is agreed:

1 Definitions

- 1.1 In these presents words and phrases defined in the Conditions (other than Conditions and Extraordinary Resolution) shall have the same meaning when used elsewhere in these presents and the following expressions shall have the following meanings:

Application means an offer by an Authorised Participant to the Issuer to subscribe for Collateralised Currency Securities;

Appointee means any attorney, manager, agent, delegate or other person appointed by the Trustee under these presents;

Auditors means the auditors for the time being of the Issuer or, in the event of their being unable or unwilling promptly to carry out any action requested of them pursuant to the provisions of these presents, such other firm of accountants as may be nominated or approved by the Trustee;

Authorised Signatory means, in relation to any person, an individual who is duly empowered to bind such person and whose authority is evidenced by a resolution of the board of directors (or any other appropriate means of authorisation) of such person, and, in relation to the Trustee, any individual named in the Trustee's authorised signatory list having due authority to bind the Trustee, which list shall be provided by the Trustee from time to time;

Collateral Administration Agreement, in respect of a Currency Transaction Counterparty, has the meaning given to it in the Facility Agreement with that Currency Transaction Counterparty;

Conditions means the terms and conditions of the Collateralised Currency Securities in the form set out in Schedule 2 (*The Conditions*) as the same may from time to time be modified in accordance with these presents and any reference in these presents to a particular specified Condition or paragraph or sub-paragraph of such a Condition shall be construed accordingly;

Custody Agreement, in respect of a Currency Transaction Counterparty, has the meaning given to it in the Facility Agreement with that Currency Transaction Counterparty;

Documents means the Prospectus and any supplement thereto, this Trust Instrument, each Security Deed, each Authorised Participant Agreement, each Facility Agreement, each ISDA Master Agreement, each Global Master Repurchase Agreement, each Collateral Management Agreement, each Eligible Collateral Agreement, the Registrar Agreement and the Services Agreement;

ETFSL means ETF Securities Limited, a company incorporated and registered in Jersey with registered number 88370;

Euro Programme Limit has the meaning set out in Clause 7.2;

Extraordinary Resolution has the meaning set out in paragraph 21 of Schedule 4 (*Provisions for Meetings of Security Holders*);

Loan means any loan made by the Issuer to ETFSL or any Affiliate of the Issuer of the proceeds of the issue of Notes under which the Issuer may, if it determines to do so, make advances to ETFSL (including by way of set-off against such proceeds);

MS Manual means the document called "MSFXSM Indices Manual" including any amendment or modification thereto which sets out the methodology for the calculation of the Currency Indices prepared by Morgan Stanley & Co. Incorporated;

Notes means any unsecured limited recourse notes of the Issuer as from time to time issued, redeemed, amended, supplemented, extended or replaced in accordance with the terms thereof issued by the Issuer to ETFSL or any Affiliate of the Issuer;

Participating Securities has the meaning set out in Clause 9.2;

Pricing Supplement means a pricing supplement or final terms relating to any issue of Collateralised Currency Securities;

Prospectus means the Prospectus in relation to the Collateralised Currency Securities to be dated on or about the date of these presents, as the same may be modified, supplemented or amended from time to time;

Receiver has the meaning given to it in the Security Deed;

Registrar Agreement means the agreement dated 05 November 2009 (as amended) between the Registrar and the Issuer;

repay, redeem and pay shall each include both the others and cognate expressions shall be construed accordingly;

Services Agreement means the services agreement dated 05 November 2009 (as amended) between ETFSL and the Issuer whereby the ETFSL agrees to provide certain services to the Issuer in relation (inter alia) to the Collateralised Currency Securities;

Subsidiary means in relation to any person (the **First Person**) at any particular time, any other person (the **Second Person**);

- (a) whose affairs and policies the First Person controls or has the power to control whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the Second Person or otherwise; or
- (b) whose financial statements are, in accordance with applicable law and / or generally accepted accounting principles, consolidated with those of the First Person;

Tax or Taxes means all present and future income and other taxes, levies, duties, imposts, assessments and charges imposed by any jurisdiction (which expression shall include any supra-national federation or other similar organisation) and any withholdings or deductions in the nature of taxes, levies, duties, imposts, assessments and charges, together with interest imposed thereon and penalties and fines with respect thereto, if any, and any payments made on or in respect thereof;

these presents means this Trust Instrument and the Schedules and any trust instrument supplemental hereto and the Schedules (if any) thereto and the Conditions and the Security Deeds and the Schedules thereto, all as from time to time modified in accordance with the provisions herein or therein contained;

Trust Corporation means a corporation entitled by rules made under the Public Trustee Act, 1906 of the United Kingdom or entitled pursuant to any other comparable legislation applicable to a trustee in any other jurisdiction to carry out the functions of a custodian trustee;

USD Programme Limit has the meaning set out in Clause 7.1;

VAT means value added tax.

- 1.2 Words denoting the singular shall include the plural and vice versa.
- 1.3 Words denoting one gender only shall include the other genders.
- 1.4 Any reference to a person or persons include reference to any individual corporation, partnership, joint venture, association, public body, governmental authority or other entity.
- 1.5 All references in these presents to any statute or any provision of any statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under any such modification or re-enactment.
- 1.6 All references in these presents to guarantees or to an obligation being guaranteed shall be deemed to include respectively references to indemnities or to an indemnity being given in respect thereof.
- 1.7 All references in these presents to any action, remedy or method of proceeding for the enforcement of the rights of creditors shall be deemed to include, in respect of any jurisdiction other than Jersey, references to such action, remedy or method of proceeding for the enforcement of the rights of creditors available or appropriate in such jurisdiction as shall most nearly approximate to such action, remedy or method of proceeding described or referred to in these presents.
- 1.8 All references in these presents to taking proceedings against the Issuer shall be deemed to include references to proving in the winding up or *désastre* of the Issuer.
- 1.9 In this Trust Instrument references to Schedules, Clauses, sub-Clauses, paragraphs and sub-paragraphs shall be construed as references to the Schedules to this Trust Instrument and to the Clauses, sub-Clauses, paragraphs and sub-paragraphs of this Trust Instrument respectively.
- 1.10 In these presents tables of contents and headings to Clauses, paragraphs, and other provisions of these presents are included for ease of reference only and shall not affect the construction of these presents.

- 1.11 All references in these presents involving compliance by the Trustee with a test of reasonableness shall be deemed to include a reference to a requirement that such reasonableness shall be determined by reference primarily to the interests of the holders of the Collateralised Currency Securities of any class and in the event of any conflict between such interests and the interests of any other person, the former shall prevail as being paramount.
- 1.12 Any reference in these presents or to any agreement or document includes a reference to these presents, or, as the case may be, such other agreement or document, as amended, varied, novated, supplemented or replaced from time to time.
- 1.13 Any reference in these presents to a time is a reference to local time in London, England.
- 1.14 No failure or delay by any party in exercising any right or remedy provided by law under or pursuant to these presents shall impair such right or remedy or operate or be construed as a waiver or variation of such right or remedy or preclude its exercise at any subsequent time and no single or partial exercise of any such right or remedy shall preclude any other or further exercise of it or the exercise of any other right or remedy.
- 1.15 If at any time any provision of these presents shall be found by any court or administrative body of competent jurisdiction to be invalid, illegal or unenforceable:
- (a) such invalidity, illegality or unenforceability shall not affect the other provisions of these presents which shall remain in full force and effect; and
 - (b) the parties shall attempt to substitute for any invalid, illegal or unenforceable provision a valid, legal or enforceable provision which achieves to the greatest extent possible the same effect as would have been achieved by the invalid, illegal or unenforceable provision.

2 Status of Collateralised Currency Securities

- 2.1 Collateralised Currency Securities shall be constituted in accordance with this Trust Instrument.
- 2.2 As at the date hereof Collateralised Currency Securities of the classes set out in Schedule 6 (*Classes of Collateralised Currency Securities*) are available for issue. The Currency Index and applicable Manual relating to each class of Collateralised Currency Securities is that specified in relation to such class in Schedule 6. All USD Collateralised Currency Securities shall each have a Principal Amount of US\$1 and all Euro Collateralised Currency Securities shall each have a Principal Amount of Euro 1.
- 2.3 Subject to the Issuer's ability to create corresponding Currency Transactions, Collateralised Currency Securities shall be issued upon an Authorised Participant giving to, and the Registrar and the Issuer accepting, an Application for the creation thereof, and the Authorised Participant making payment therefor, all in accordance with the Authorised Participant Agreement.
- 2.4 The Issuer may create additional classes of Collateralised Currency Securities in accordance with Clause 4 and may thereafter accept Applications for, and issue, such additional class(es) of Collateralised Currency Securities.
- 2.5 Collateralised Currency Securities of each class constitute undated limited recourse secured debt obligations of the Issuer secured by the Class Collateral Pool applicable to such class.
- 2.6 The Collateralised Currency Securities of each class shall rank pari passu equally and rateably with all other Collateralised Currency Securities of that class, without discrimination or preference, as a secured obligation of the Issuer.

3 Further Collateralised Currency Securities

- 3.1 Subject to the Issuer's ability to create corresponding Currency Transactions, power is reserved to the Issuer (without the consent of the Security Holders) to create and issue further Collateralised Currency Securities of any class (being **Further Securities**) constituted by an instrument or deed supplemental to this Trust Instrument and ranking pari passu with the Collateralised Currency Securities of the relevant class and all (if any) other Further Securities of the relevant class and either forming a single series with the Collateralised Currency Securities or any series of other Further Securities of that class or a single series therewith save for carrying such rights (including, without limitation, rights as to interest, redemption and otherwise) as the Issuer may think fit.

4 Establishment of different classes of Collateralised Currency Securities

- 4.1 Subject to its ability to create corresponding Currency Transactions, the Issuer may (without the consent of the Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to this Trust Instrument and the Trustee shall join in such instrument or deed and thereupon such securities for the purposes of these presents shall be "Collateralised Currency Securities". Any such additional classes of Collateralised Currency Securities shall have recourse only to the Class Collateral Pool attributable to the relevant class. Other such securities created and issued by the Issuer under this Clause 4.1 may relate to different Currency Indices than those in respect of which Collateralised Currency Securities are initially issued. Other such securities created by the Issuer under this Clause 4.1 may be created and issued subject to different terms and conditions in lieu of these presents (including but not limited to different pricing mechanisms), to be determined by the Issuer. If other securities issued by the Issuer under this Clause 4.1 are subject to different terms and conditions in lieu of these presents the Issuer shall publish those new conditions in its RIS announcement or in a prospectus or listing particulars or supplementary prospectus or supplementary listing particulars and on the Issuer's Website.
- 4.2 The Issuer shall not accept Applications for, or issue, Collateralised Currency Securities of a new class under Clause 4.1 unless it has first created a corresponding Currency Transaction under the terms of a Facility Agreement.
- 4.3 The Issuer may at any time (without the consent of the Security Holders) determine to allocate one or more Counterparty Collateral Pools attributable to a class of Collateralised Currency Securities to a new class of Collateralised Currency Securities in accordance with and subject to the requirements of Condition 15.5. For the avoidance of doubt, nothing in this provision shall allow the Issuer to divide the assets which constitute any Counterparty Collateral Pool.
- 4.4 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Collateralised Currency Securities of any class into Collateralised Currency Securities of the same class but with a proportionally larger or smaller Principal Amount and Price. Such consolidation or division shall be effected by deed or instrument supplemental to this Trust Instrument. For the avoidance of doubt, nothing in this provision shall allow the Issuer to divide the assets which constitute any Counterparty Collateral Pool.
- 4.5 Whenever as a result of consolidation or division of Collateralised Currency Securities a Security Holder would become entitled to a fraction of a Collateralised Currency Security the Issuer will Redeem such fraction of a Collateralised Currency Security.

5 Amendments to conditions

- 5.1 Subject to Clause 31.2 the Issuer may, by giving written notice to the Trustee and notice to the Security Holders through a RIS, amend the Conditions.

- 5.2 Unless the Trustee otherwise agrees, but subject to Clause 31, notices given in accordance with Clause 5.1 shall not have effect until:
- (a) in the case of an amendment made pursuant to Clause 31.2(b), at least 10 calendar days following any such notification and at least 30 calendar days following notification by the Issuer of the identity of the proposed transferee or new Currency Transaction Counterparty by RIS announcement;
 - (b) in any other case at least 30 calendar days following such notification.

6 Covenant to redeem Collateralised Currency Securities

- 6.1 The Issuer covenants with the Trustee that it will, in accordance with these presents, on the Redemption Payment Date in respect of any Collateralised Currency Securities pay, or procure to be paid, the Redemption Amount for such Collateralised Currency Securities into the Redemption Account specified in the applicable Redemption Notice in fully cleared and immediately available funds in accordance with and subject to the Conditions PROVIDED THAT every payment to a Security Holder in respect of such Redemption Amount shall be in satisfaction pro tanto of the covenant by the Issuer in this Clause.
- 6.2 All monies payable by the Issuer on the redemption of any Collateralised Currency Securities shall be paid in full, free and clear of, and without any withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political subdivision thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.

7 Maximum outstanding amount of the Collateralised Currency Securities

- 7.1 USD Collateralised Currency Securities of any class will not be issued if following such issue the aggregate Principal Amount of all Collateralised Currency Securities of such class in issue on that date would exceed US\$1 billion (1,000,000,000 US Dollars) or such greater number as shall be established pursuant to Clause 7.3 (the **USD Programme Limit**).
- 7.2 Euro Collateralised Currency Securities of any class will not be issued if following such issue the aggregate Principal Amount of all Collateralised Currency Securities of such class in issue on that date would exceed Euro 1 billion (1,000,000,000 Euro) or such greater number as shall be established pursuant to Clause 7.3 (the **Euro Programme Limit**).
- 7.3 Subject to the consent of the Jersey Financial Services Commission (if necessary), the USD Programme Limit and / or the Euro Programme Limit may be increased to such amount as may from time to time have been admitted to listing by the UK Listing Authority and which the Issuer has notified to the Trustee and to the Security Holders by an RIS announcement.

8 Issue and constitution of the Collateralised Currency Securities

On the issue date in relation to any Collateralised Currency Securities of any class, the Issuer shall deliver or cause to be delivered to the Trustee a copy of the applicable Pricing Supplement. Upon the Registrar registering in the relevant Register the names of the subscribers for such Collateralised Currency Securities as the holders thereof, such Collateralised Currency Securities shall become constituted by these presents without further formality.

9 Securities certificates

- 9.1 In the event that a Security Holder requests that a Certificate be issued to it in respect of its Collateralised Currency Securities held in Certificated Form, such Certificate shall be issued and will be despatched to the relevant Security Holder within 10 Business Days of being issued. The Certificates (if any) for the Collateralised Currency Securities will be in the form or substantially in the form set out in Schedule 1 (*Form of Certificate for Collateralised Currency Securities*) hereto or in such other form as the Trustee may approve. The Issuer shall comply with the terms and provisions of the Certificates and the Conditions and the Collateralised Currency Securities shall be held subject to, and with the benefit of, the Conditions all of which shall be deemed to be incorporated in this Trust Instrument and shall be binding on the Issuer and the Security Holders and all persons claiming through or under them respectively. Every Security Holder shall be entitled to receive one Certificate for all Collateralised Currency Securities of each class held by it but so that joint holders shall be entitled to one Certificate only in respect of all Collateralised Currency Securities of each class held jointly by them which Certificate shall be delivered to that one of the joint holders whose name stands first in the Register in respect of such joint holding. Where a Security Holder has transferred or has redeemed a part only of its holding of Collateralised Currency Securities it shall be entitled (without charge) to a Certificate for the balance of such holding.
- 9.2 Pursuant to the Regulations, the Issuer may make arrangements for the holding of title to Collateralised Currency Securities in Uncertificated Form (**Participating Securities**) and the transfer of title thereto otherwise than by a written instrument as provided for in the provisions contained in Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) of this Trust Instrument (all of which provisions shall be deemed to be, and shall have effect as though, incorporated in this Trust Instrument). Where any provisions of these presents (including, but not limited to, this Clause 9 and Clause 16 and Schedule 3 (*Provisions Relating to Registration and Transfer*)) are, insofar as they relate to Collateralised Currency Securities in Uncertificated Form, inconsistent with the provisions of Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*), Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*) shall prevail.

10 Currency Transaction Counterparties

- 10.1 The Issuer shall enter into a Facility Agreement with one or more Currency Transaction Counterparties to enable it to hedge the obligations it would incur in respect of each class of Collateralised Currency Securities. The Issuer will enter into Currency Transactions and may enter into Repos with any one or more of such Currency Transaction Counterparties under the terms of the relevant Facility Agreement, but shall only enter into Facility Agreements with persons which have an Acceptable Credit Rating or which have a Guarantor with an Acceptable Credit Rating, in each case at the time of entering into such Facility Agreement.
- 10.2 The Issuer may enter into more than one Facility Agreement to enable it to hedge its obligations under a particular class of Collateralised Currency Securities, and a Facility Agreement may relate to more than one class of Currency Transaction.
- 10.3 The Issuer shall, prior to entering into one or more Currency Transactions with a Currency Transaction Counterparty:
- (a) establish and maintain a Relevant Issuer Account in respect of its dealings with such Currency Transaction Counterparty in accordance with the Conditions;
 - (b) execute and deliver to the Trustee a Security Deed granting security over such Relevant Issuer Account and the Issuer's rights under the relevant Facility Agreement, ISDA Master Agreement, Authorised Participant Agreements and (if relevant) Global Master Repurchase Agreement, as continuing security for the payment or discharge of all sums owing by or obligations of the Issuer to the Trustee, the Currency Transaction Counterparty and the Security Holders from time to time under the applicable classes of Collateralised Currency Securities.

- 10.4 The Issuer may from time to time replace, in accordance with its terms or by agreement with the relevant Currency Transaction Counterparty, a Facility Agreement with any other Facility Agreement.
- 10.5 The Issuer shall immediately upon entering into a Facility Agreement notify the Trustee of the name and contact details of the Currency Transaction Counterparty in question (including the name and contact details of the individual person at that Currency Transaction Counterparty responsible for the transaction) and of the class or classes of Collateralised Currency Securities to which the Facility Agreement relates, and provide a copy of that Facility Agreement to the Trustee.
- 10.6 The Issuer shall immediately notify the Trustee if a Facility Agreement ceases to be in force.

11 Authorised Participants

- 11.1 The Issuer may enter into an Authorised Participant Agreement with a person which meets the following criteria:
- (a) it is a securities house or other market professional approved by the Issuer; and
 - (b) it is an Authorised Person, an Exempt Person or an Overseas Person (as those terms are defined in the Prospectus).
- 11.2 Subject to the terms of the relevant Authorised Participant Agreement, the Issuer may terminate an Authorised Participant Agreement.

12 Fees, duties and taxes

The Issuer will pay any stamp, issue, registration, documentary and other fees, duties and taxes, including interest and penalties, payable on or in connection with (i) the execution and delivery of these presents, (ii) the constitution and issue of the Collateralised Currency Securities and (iii) any action taken by or on behalf of the Trustee or (where permitted under these presents so to do) any Security Holder to enforce, or to resolve any doubt concerning, or for any other purpose in relation to, these presents.

13 Covenant of compliance

The Issuer covenants with the Trustee that it will comply with and perform and observe all the provisions of these presents which are expressed to be binding on it.

14 Trust and enforcement

- 14.1 All rights and entitlements of the Trustee under this Trust Instrument are held by the Trustee on trust for itself and the Security Holders or the Security Holders of the appropriate type or types, subject to the terms of these presents.
- 14.2 The Trustee shall:
- (a) if a Defaulted Obligation (other than where an Issuer Insolvency Event or a Counterparty Event of Default in respect of a Corresponding Currency Transaction Counterparty for such class, has occurred and is continuing at such time) has occurred and is continuing and if so directed in writing by Security Holders of the Relevant Exposed Classes holding not less than 10 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of such Relevant Exposed Classes subject to the Trustee having:

(i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and

(ii) received instructions as provided in Condition 7.2,

instruct each relevant Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by each Security Deed forming part of any Gross Class Collateral Pool relevant to each Relevant Exposed Class;

(b) if a Counterparty Event of Default has occurred and is continuing, and as a result any Redemption Notice in respect of Collateralised Currency Securities of any class issued on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.8(g) or 6.17(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 Pricing Days, and if so directed in writing by Security Holders of the Relevant Affected Classes holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of those Relevant Affected Classes subject to the Trustee having:

(i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and

(ii) received instructions as provided in Condition 7.2,

instruct the relevant Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by the Security Deed relating to the Currency Transaction Counterparty which is the subject of that Counterparty Event of Default;

(c) if an Issuer Insolvency Event has occurred and is continuing and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of all the Collateralised Currency Securities of all the classes then outstanding but in each case subject to the Trustee having:

(i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and

(ii) received instructions as provided in Condition 7.2,

instruct any or each Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by each Security Deed.

14.3 If a Defaulted Obligation and/or an Issuer Insolvency Event has occurred and is continuing, the Trustee shall, if so instructed by any Security Holder, and indemnified and/or secured and/or pre-funded to its satisfaction, take such proceedings and other actions against or in relation to the Issuer (other than to instruct the Security Trustee to enforce the security constituted by any Security Deed) to enforce any payment obligation of the Issuer under the Trust Instrument and the Collateralised Currency Securities held by that Security Holder, subject always to the provisions of Condition 3.2.

14.4 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment obligations) in this Trust Instrument and has not remedied the same within 30 calendar days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to

giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within 7 calendar days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the **Breach Redemption Period**) commencing on any London Business Day until the date one month from such London Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Collateralised Currency Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.

- 14.5 In the event that at any time during the Breach Redemption Period the right to Redeem Collateralised Currency Securities of any class pursuant to Condition 6.1 is suspended pursuant to Condition 6.18, then the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 12.2 shall be suspended in like manner and the provisions of Condition 6.18 shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 6.18, the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 12.2 shall resume and the Breach Redemption Period in respect of that class shall continue until the date one month from the date on which the suspension so ceased.
- 14.6 Subject to Condition 12.5, only the Trustee or, in the case of a CTC Enforcement Event the relevant Currency Transaction Counterparty, may direct a Security Trustee to enforce the security constituted by a Security Deed. Where the Trustee has been directed to direct a Security Trustee to enforce in accordance with the terms thereof, the right of Security Holders to lodge a Redemption Form with the Registrar shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to instruct a Security Trustee to enforce the security (the **Election Date**) will be Redeemed in the normal manner.
- 14.7 When giving instructions to a Security Trustee (or taking enforcement action pursuant to a Security Deed) the Trustee (or Security Trustee) shall be entitled to rely on any advice received from the Collateral Administrator or such other Investment Advisor as it may from time to time appoint. In making any calculation the Security Trustee or its agent may convert one currency to another currency at such rate as may be available to it at that time.
- 14.8 If the Trustee takes any action pursuant to this Clause 14 it is authorised to execute any document or instrument necessary to convert Collateralised Currency Securities held in Uncertificated Form into Certificated Form and to take delivery of the corresponding certificate(s).
- 14.9 For the purposes of any directions to the Trustee pursuant to Condition 7.2, 12.1 or 18.1, the aggregate Principal Amount of any or all classes of Collateralised Currency Securities shall be calculated in US Dollars on the basis of an exchange rate of US\$1 = Euro 1.

15 No proceedings

- 15.1 The Trustee shall not be bound to instruct any or each Security Trustee or take any proceedings mentioned in Clause 14 or any other action in relation to these presents unless respectively directed or requested to do so in writing by:
- (a) if a Defaulted Obligation has occurred and is continuing, Security Holders of the Relevant Exposed Classes holding not less than 10 per cent. by Principal Amount (as at the date of receipt by the Trustee of the written notice) of Collateralised Currency Securities of such Relevant Exposed Classes; or
 - (b) if a Counterparty Event of Default has occurred and is continuing, Security Holders of the Relevant Affected Classes holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the written notice) of Collateralised Currency Securities of those Relevant Affected Classes; or

- (c) if an Issuer Insolvency Event has occurred and is continuing, Security Holders holding not less 25 per cent. by Principal Amount (as at the date of receipt of the written notice) of all Collateralised Currency Securities then outstanding,

and then only if it shall be indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing.

- 15.2 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee and/or Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee and/or Security Trustee is entitled to exercise against or in relation to the Issuer.

16 Application of moneys

- 16.1 All moneys received by the Security Trustee at any time pursuant to the realisation of assets in any Counterparty Collateral Pool shall be held by the Security Trustee upon trust, to apply them:
- (a) FIRST in payment of all amounts then due to the Security Trustee and the Trustee and unpaid (including to any attorneys, managers, agents, delegates or other person appointed by either of them) in respect of each class to which such Counterparty Collateral Pool is relevant under the terms of the relevant Security Deed and the Trust Instrument (as determined by the Security Trustee in its absolute discretion), and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the relevant Security Deed then unpaid (for the avoidance of doubt, excluding any Redemption Amounts owed to the Trustee under this Trust Instrument);
 - (b) SECONDLY in or towards payment or discharge of all amounts then due and unpaid by the Issuer to the Currency Transaction Counterparty to which such Counterparty Collateral Pool relates under the Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement with such Currency Transaction Counterparty;
 - (c) THIRDLY in or towards payment of all amounts then due and unpaid in respect of the Collateralised Currency Securities to which such Counterparty Collateral Pool is relevant on a pro rata basis as provided in Clause 16.2;
 - (d) FOURTHLY in or towards payment or performance of all amounts then due and unpaid by the Issuer under the Services Agreement to ETFSL (or any Affiliate with which the Issuer has entered into a Services Agreement);
 - (e) FIFTHLY in payment of the balance (if any) to the Issuer (without prejudice to or liability in respect to, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).
- 16.2 The Issuer covenants in favour of the Trustee that on any Compulsory Redemption Date pursuant to Condition 7.2 it will calculate the proportionate entitlement of each class of Collateralised Currency Securities to payments to such class from the proceeds of the assets in the relevant Counterparty Collateral Pool as at the Compulsory Redemption Date for such class (in proportion to the relevant Volume and Daily Payment Amount attributable to the Corresponding Currency Transaction of such class as it relates to the aggregate Volumes and Daily Payment Amounts for all classes of Corresponding Currency Transaction with such Currency Transaction Counterparty) in accordance with the following formula:

$$EPA_{i,t} = \frac{V_{j,t-1} + DPA_{j,t}}{\sum_{\lambda=1}^n V_{\lambda,t-1} + \sum_{\lambda=1}^n DPA_{\lambda,t}}$$

- $EPA_{i,t}$ the proportionate entitlement in relation to assets in such Counterparty Collateral Pool (after deduction of any amounts payable to the Trustee, the Security Trustee or the Currency Transaction Counterparty in accordance with (a) and (b) above) of Collateralised Currency Securities of class i on day t ;
- i refers to a class of Collateralised Currency Security to which the Counterparty Collateral Pool is relevant;
- j refers to the Currency Transaction with such Currency Transaction Counterparty which corresponds to class i ;
- t refers to the Pricing Day in respect of which such calculation is to be made;
- λ refers to any class of Currency Transaction with such Currency Transaction Counterparty;
- n refers to the total number of classes of Currency Transactions with such Currency Transaction Counterparty;
- $V_{j,t-1}$ refers to the Volume on the Pricing Day immediately preceding Pricing Day t , in relation to Currency Transaction j ;
- $V_{\lambda,t-1}$ refers to the Volume on the Pricing Day immediately preceding Pricing Day t in relation to a Currency Transaction with such Currency Transaction Counterparty;
- $DPA_{j,t}$ refers to the (positive or negative) Daily Payment Amount in relation to Currency Transaction j calculated as at Pricing Day t ;
- $DPA_{\lambda,t}$ refers to the (positive or negative) Daily Payment Amount in relation to a Currency Transaction calculated as at Pricing Day t ;

PROVIDED THAT in respect of any class of Collateralised Currency Securities subject to Compulsory Redemption under Condition 7.3 as a result of a Disruption Event and where as a result of such Disruption Event the obligations of the Parties to the Relevant ISDA Master Agreement are modified or substituted with an obligation to pay another amount under the terms of that Relevant ISDA Master Agreement, the proportionate entitlement of such class shall be limited to the proportionate entitlement calculated above in relation to the Adjusted Counterparty Collateral Pool.

- 16.3 The Security Trustee and the Trustee may rely absolutely on the outcome of any such calculation made by the Issuer as communicated to them by the Issuer, and are under no duty or obligation to investigate such calculation.
- 16.4 If the Issuer does not perform such calculation and provide the results thereof to the Security Trustee and the Trustee in accordance with its covenant, then to the extent that all relevant information is available to the Security Trustee it may at its absolute discretion perform such calculation or engage an Investment Advisor to perform such calculation for it, but neither the Security Trustee nor the Trustee shall be under any obligation to do so.

- 16.5 If within 5 days of the realisation of all the assets in a Counterparty Collateral Pool:
- (a) the Trustee and/or the Security Trustee has not been informed of the relevant Volume and Daily Payment Amount information necessary to enable it to carry out such calculation; or
 - (b) neither the Issuer nor any Investment Advisor engaged by the Trustee has made the calculation contemplated under Condition 13.5,

then the Security Trustee may distribute on such basis as it considers in its absolute discretion to be a pro rata basis and shall have no liability to any Security Holder by virtue of so doing, subject to the prior payment or discharge of all prior ranking claims.

17 Payments by Trustee

Payments in respect of the Collateralised Currency Securities of any class made by the Trustee under the provisions of Clause 16 may be made to the relevant Security Holders, in the manner provided by Schedule 3 (*Provisions Relating to Registration and Transfer of Collateralised Currency Securities*) for payments in respect of those Collateralised Currency Securities.

18 Investment by Trustee

- 18.1 The Trustee may, at its discretion and pending payment to the Security Holders, invest moneys received by it under these presents and at any time available for the payment in respect of Collateralised Currency Securities of any class, in some or one of the investments hereinafter authorised for such periods as it may consider expedient with power from time to time at the like discretion to vary such investments. All interest and other income deriving from such investment shall be applied first in payment or satisfaction of all amounts then due and unpaid under Clause 21 and/or Clause 22(j) to the Trustee and/or any Appointee and to payment of any remuneration and expenses of any Receiver and otherwise held for the benefit of and paid to the relevant Security Holders.
- 18.2 Any moneys which under the trusts of these presents ought to or may be invested by the Trustee shall be invested by placing of moneys in the name of or under the control of the Trustee with a bank or other financial institution including, without limitation, a deposit in the Redemption Account or the purchase of shares in a money market fund, provided that such bank or other financial institution shall, at the time of such investment, be rated A or better by Standard & Poor's or A or better by Moody's. The Trustee may at any time vary any such investments for or into other investments or convert any moneys so deposited into any other currency and shall not be responsible for any loss resulting from any such investments or deposits, whether due to depreciation in value, fluctuations in exchange rates or otherwise.

19 Payment of securities

In the event of a Security Holder whose holding of Collateralised Currency Securities the Issuer is ready to repay or satisfy failing to claim the amount due to him within 30 calendar days after the due date for redemption of such Collateralised Currency Securities the Issuer shall be at liberty to, or if so requested by the Trustee shall, deposit at the cost of the Issuer with a bank in the name of the Trustee an amount equal to the amount due to such Security Holder and upon such deposit being made the relevant Collateralised Currency Securities shall be deemed to have been repaid or satisfied in accordance with the provisions hereof. After provision for repayment or satisfaction of the Collateralised Currency Securities is made by such deposit of the funds required for the purpose, the Trustee shall not be responsible for the safe custody of such moneys or for interest thereon, except such interest (if any) as the said moneys may earn whilst on deposit less any expenses incurred, and charges made and tax paid, by the Trustee in connection therewith.

20 Covenants by the Issuer

The Issuer covenants with the Trustee that so long as any Collateralised Currency Securities of any class remain outstanding the Issuer shall (unless otherwise agreed in writing by the Trustee):

- (a) at all times carry on and conduct its affairs in a proper and efficient manner;
- (b) not undertake any business save for the issue and redemption of Collateralised Currency Securities, the creation and closing of Currency Transactions, the entry into Repos and in each case entering into all necessary documents in connection with this activity (which for this purpose and the purposes of Condition 14.1(c) includes documents appointing officers, administrators, registrars and advisers) and performing its obligations and exercising its rights thereunder;
- (c) enforce its rights under the Documents and comply with its obligations thereunder except that the Issuer not be under an obligation to close out or terminate an ISDA Master Agreement and/or Global Master Repurchase Agreement on the occurrence of a Counterparty Event of Default;
- (d) not have any employees;
- (e) not incur or permit to subsist any indebtedness for borrowed money in respect of any assets comprising the Gross Class Collateral Pool for such class (the **relevant assets**) other than:
 - (i) Collateralised Currency Securities or Further Securities of such class;
 - (ii) any Daily Payment Amount Facility or Redemption Liquidity Facility; or
 - (iii) by issuing notes to ETFSL or any Affiliate of the Issuer,and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
- (f) subject to Condition 6.5(iv), use its best endeavours to obtain and, so long as any of the Collateralised Currency Securities remains outstanding, maintain a Listing for the Collateralised Currency Securities, or, if it is unable to do so having used such best endeavours or if the maintenance of such Listing is agreed by the Trustee to be unduly onerous, use its best endeavours to obtain and maintain the quotation or listing of the Collateralised Currency Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide;
- (g) not permit the validity or effectiveness of these presents or the Security Deeds or the priority of any security thereunder to be modified, terminated or discharged;
- (h) not have any subsidiaries;
- (i) not declare or pay any dividends or make other distributions;
- (j) not merge with or consolidate its assets with any other entity or transfer or convey all or substantially all its assets to any other entity (other than in accordance with the Documents);
- (k) not purchase, own, lease or otherwise acquire any real property (including office premises or like facilities);
- (l) other than as permitted under the relevant Security Deed, these Conditions, any Facility Agreement, ISDA Master Agreement, Global Master Repurchase Agreement, Custody Agreement, Collateral Administration Agreement or the terms governing any

Relevant Issuer Account not to dispose of any relevant assets or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;

- (m) give or procure to be given to the Trustee such opinions, certificates, reports, information and evidence as it shall require and in such form as it shall require (including without limitation the procurement by the Issuer of all such certificates called for by the Trustee pursuant to Clauses 22(c) and 22(w)) for the purpose of the discharge or exercise of the duties, trusts, powers, authorities and discretions vested in it under these presents or by operation of law;
- (n) cause to be prepared and certified by the Auditors in respect of each financial accounting period accounts in such form as will comply with all relevant legal and accounting requirements and all requirements for the time being of the UK Listing Authority;
- (o) at all times keep proper books of account and allow the Trustee and any person appointed by the Trustee to whom the Issuer shall have no reasonable objection free access to such books of account at all reasonable times during normal business hours;
- (p) send to the Trustee (in addition to any copies to which it may be entitled as a holder of any securities of the Issuer) two copies in the English language of every balance sheet, profit and loss account, report, circular and notice of general meeting and every other document sent to its shareholders and every document sent to holders of securities other than its shareholders (including the Security Holders) as soon as practicable after the issue or publication thereof;
- (q) forthwith give notice in writing to the Trustee upon it becoming aware of the occurrence of any of the following:
 - (i) a Defaulted Obligation;
 - (ii) an Issuer Insolvency Event;
 - (iii) a Counterparty Event of Default; or
 - (iv) a breach by the Issuer or any Currency Transaction Counterparty of its obligations under the Documents, or a breach by the Issuer of its obligations in respect of the Collateralised Currency Securities;
- (r) give to the Trustee (a) within seven calendar days after demand by the Trustee therefor and (b) (without the necessity for any such demand) promptly after the publication of its audited accounts in respect of each financial year commencing with the financial year ended 31 December 2010 and in any event not later than 180 calendar days after the end of each such financial year, a certificate of the Issuer in the form of Exhibit 1 (Form of Directors' Certificate) hereto signed by two directors of the Issuer and confirming on behalf of the Issuer that as at a date not more than seven calendar days before delivering such certificate (the **relevant date**) there did not exist and had not existed since the relevant date of the previous certificate (or in the case of the first such certificate the date hereof) any Defaulted Obligation (or if such exists or existed specifying the same) or an Issuer Insolvency Event or a Counterparty Event of Default and that during the period from and including the relevant date of the last such certificate (or in the case of the first such certificate the date hereof) to and including the relevant date of such certificate the Issuer has complied with all its obligations contained in these presents or (if such is not the case) specifying the respects in which it has not complied;

- (s) use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- (t) not to issue any Collateralised Currency Securities of any class unless it has created a corresponding Currency Transaction in respect of it under an ISDA Master Agreement;
- (u) to procure that each Relevant Issuer Account is at all times maintained in a manner so that it is readily distinguishable from each other Relevant Issuer Account and that no contractual rights of combination or set-off subsist between any Relevant Issuer Account and any other account of the Issuer;
- (v) not make any election under U.S. federal income tax laws to be treated otherwise than as an association taxable as a corporation for U.S. federal income tax purposes;
- (w) not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in any jurisdiction other than Jersey;
- (x) undertake any business so as to minimise the impact of taxation for Security Holders; and
- (y) at all times execute and do all such further documents, acts and things as may be necessary at any time or times in the opinion of the Trustee to give effect to these presents.

Notwithstanding the foregoing the Issuer may issue Notes to ETFSL or any Affiliate of the Issuer and make Loans to ETFSL or any Affiliate of the Issuer and perform their respective terms.

21 Remuneration of Trustee

- 21.1 The Issuer shall pay to the Trustee remuneration for its services as trustee of these presents as from the date of this Trust Instrument, such remuneration to be at such rate as may from time to time be agreed between the Issuer and the Trustee. Such remuneration shall be payable annually in advance on the date of this Trust Instrument, and subsequently on each anniversary of the date of this Trust Instrument. The rate of remuneration in force from time to time shall cease to be payable upon the final redemption of the whole of the Collateralised Currency Securities. Such remuneration shall accrue from day to day and be payable in priority to payments to the Security Holders.
- 21.2 In the event of the occurrence of a Defaulted Obligation, a Counterparty Event of Default or an Issuer Insolvency Event or the Trustee considering it expedient or necessary or upon being requested by the Issuer to undertake duties which the Trustee and the Issuer agree to be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents the Issuer shall pay to the Trustee such additional remuneration as shall be agreed between them.
- 21.3 The Issuer shall in addition pay to the Trustee an amount equal to the amount of any VAT or similar tax chargeable in respect of its remuneration under these presents.
- 21.4 In the event of the Trustee and the Issuer failing to agree:
 - (a) (in a case to which Clause 21.1 above applies) upon the amount of the remuneration; or

- (b) (in a case to which Clause 21.2 above applies) upon whether such duties shall be of an exceptional nature or otherwise outside the scope of the normal duties of the Trustee under these presents, or upon such additional remuneration,

such matters shall be determined by an independent third party (acting as an expert and not as an arbitrator) selected by the Trustee and approved by the Issuer or, failing such approval, nominated (on the application of the Trustee) by the President for the time being of The Law Society of Jersey (the expenses involved in such nomination and the fees of such independent third party being payable by the Issuer) and the determination of any such independent third party shall be final and binding upon the Trustee and the Issuer.

- 21.5 The Issuer shall also pay or discharge all Liabilities properly incurred by the Trustee in relation to the preparation and execution of, the exercise of its powers and the performance of its duties under, and in any other manner in relation to, these presents, including but not limited to travelling expenses and any stamp, issue, registration, documentary and other taxes or duties paid or payable by the Trustee in connection with any action taken or contemplated by or on behalf of the Trustee for enforcing, or resolving any doubt concerning, or for any other purpose in relation to, these presents.
- 21.6 All amounts payable pursuant to this Clause 21 and/or Clause 22(j) shall be payable by the Issuer on the date specified in a demand by the Trustee and in the case of payments actually made by the Trustee prior to such demand shall (if not paid within five Business Days after such demand and the Trustee so requires) carry interest at the rate of 2 per cent. per annum above the base rate from time to time of National Westminster Bank PLC from the date specified in such demand, and in all other cases shall (if not paid on the date specified in such demand or, if later, within five Business Days after such demand and, in either case, the Trustee so requires) carry interest at such rate from the date specified in such demand. All remuneration payable to the Trustee shall carry interest at such rate from the due date therefor.
- 21.7 Unless otherwise specifically stated in any discharge of these presents the provisions of this Clause 21 and Clause 22(j) shall continue in full force and effect notwithstanding such discharge.

22 Supplement to Trustee powers

The Trustee shall have all the powers of a natural person, including but not limited to:

- (a) the Trustee may in relation to the Documents act on the advice or opinion of or any information obtained from, any lawyer, valuer, accountant, surveyor, banker, broker, auctioneer or other expert, whether obtained by the Issuer, the Trustee or otherwise and shall not be responsible for any Liability occasioned by so acting;
- (b) any such advice, opinion or information may be sent or obtained by letter, telex, telegram, facsimile transmission, cable or e-mail and the Trustee shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telex, telegram, facsimile transmission, cable or e-mail although the same shall contain some error or shall not be authentic;
- (c) the Trustee may call for and shall be at liberty to accept as sufficient evidence of any fact or matter or the expediency of any transaction or thing which is prima facie within the knowledge of the Issuer or any other party to any of the Documents a certificate signed by any two directors of such party and the Trustee shall not be bound in any such case to call for further evidence or be responsible for any Liability that may be occasioned by it or any other person acting on such certificate;
- (d) the Trustee shall be at liberty to hold this Trust Instrument and the other Documents and any other documents relating thereto or to deposit them in any part of the world with any banker or banking company or company whose business includes

undertaking the safe custody of documents or lawyer or firm of lawyers considered by the Trustee to be of good repute and the Trustee shall not be responsible for or required to insure against any Liability incurred in connection with any such holding or deposit and the Issuer shall pay all sums required to be paid on account of or in respect of any such deposit;

- (e) the Trustee shall not be responsible for the receipt or application of the proceeds of the issue of any of the Collateralised Currency Securities by the Issuer;
- (f) the Trustee shall not be responsible to the Issuer or to any Security Holder as regards any deficiency which might arise because the Trustee is subject to Tax in respect of all or any income it may receive pursuant to the terms of this Trust Instrument or the other Documents or, as the case may be, the proceeds thereof;
- (g) the Trustee shall not be bound to give notice to any person of the execution of any of the Documents or any other document or to take any steps to ascertain whether any Defaulted Obligation has occurred and, until it shall have actual knowledge or express notice pursuant to this Trust Instrument to the contrary, the Trustee shall be entitled to assume without enquiry, and it is hereby declared to be the intention of the Trustee that it shall assume without enquiry, that no Defaulted Obligation has occurred and that the Issuer and each of the other parties to the Documents are observing and performing all their respective obligations under this Trust Instrument and the Documents and, if it does have actual knowledge or express notice as aforesaid, the Trustee shall not be bound to give notice thereof to the Security Holders;
- (h) save as expressly otherwise provided in this Trust Instrument, the Trustee shall have absolute and uncontrolled discretion as to the exercise or non-exercise of its trusts, rights, powers, authorities, duties and discretions under this Trust Instrument, the other Documents or by operation of law (the exercise or non-exercise of which as between the Trustee and the Security Holders shall be conclusive and binding on the Security Holders) and shall not be responsible for any Liability which may result from their exercise or non-exercise, and in particular the Trustee shall not be bound to act at the request or direction of any Security Holder or otherwise under any provision of this Trust Instrument or to take at such request or direction or otherwise any other action under any provision of this Trust Instrument or any other Document unless it shall first be indemnified and/or secured to its satisfaction against all Liabilities to which it may render itself liable or which it may incur by so doing;
- (i) any consent or approval given by the Trustee for the purposes of this Trust Instrument or any other Document may be given on such terms and subject to such conditions (if any) as the Trustee thinks fit and notwithstanding anything to the contrary in this Trust Instrument or any other Document may be given retrospectively. The Trustee may give any consent or approval, exercise any power, authority or discretion or take any similar action (whether or not such consent, approval, power, authority, discretion or action is specifically referred to in this Trust Instrument or any other Document) if it is satisfied that the interests of the Security Holders will not be materially prejudiced thereby. For the avoidance of doubt, the Trustee shall not have any duty to the Security Holders in relation to such matters other than that which is contained in the preceding sentence;
- (j) without prejudice to the right of indemnity by law given to trustees, the Issuer shall indemnify the Trustee and every Appointee of the Trustee and keep it or him indemnified against all Liabilities to which it may be or become subject or which may be incurred by it or him in the execution or purported execution of any of its trusts, powers, authorities and discretions under these presents or its functions under any such appointment or in respect of any other matter or thing done or omitted in any way relating to these presents or any such appointment other than in the case of fraud, wilful misconduct or gross negligence of the Trustee;

- (k) the Trustee shall not be liable to any person by reason of having acted upon any resolution purporting to have been passed at any meeting of the Security Holders of any type or types in respect whereof minutes have been made and signed by the chairman thereof or any direction of the Security Holders of any class or classes even though subsequent to its acting it may be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution, direction or request was not valid or binding upon such Security Holders;
- (l) the Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any Certificate for any class of Collateralised Currency Securities purporting to be such and subsequently found to be forged or not authentic;
- (m) the Trustee shall not (unless and to the extent ordered so to do by a court of competent jurisdiction) be required to disclose to any Security Holder or any other person any information (including, without limitation, information of a confidential, financial or price sensitive nature) made available to the Trustee by the Issuer or any other person in connection with this Trust Instrument and the other Documents and no Security Holder or other person shall be entitled to take any action to obtain from the Trustee any such information;
- (n) where it is necessary or desirable for any purpose in connection with this Trust Instrument and the other Documents to convert any sum from one currency to another it shall (unless otherwise provided by this Trust Instrument or required by law) be converted at such rate or rates, in accordance with such method and as at such date for the determination of such rate of exchange, as may be agreed by the Trustee in its absolute discretion in consultation with the Issuer and any rate, method and date so agreed shall be binding on the Issuer and the Security Holders and the Trustee shall not be liable for any loss occasioned by the said conversion under this Clause 22(n);
- (o) the Trustee may determine whether or not any event, matter or thing is, in its opinion, materially prejudicial to the interests of the Security Holders or any of them and if the Trustee shall certify that any such event, matter or thing is, in its opinion, materially prejudicial, such certificate shall be conclusive and binding upon the Security Holders;
- (p) the Trustee as between itself and the Security Holders may determine all questions and doubts arising in relation to any of the provisions of this Trust Instrument or any other Document. Every such determination, whether or not relating in whole or in part to the acts or proceedings of the Trustee, shall be conclusive and shall bind the Trustee and the Security Holders;
- (q) in connection with the exercise or performance by it of any right, power, trust, authority, duty or discretion under or in relation to this Trust Instrument or any other Documents:
 - (i) (including, without limitation, any consent, approval, modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of each type of the Security Holders as a class and shall not have regard to any interests arising from circumstances particular to individual Security Holders (whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise or performance for individual Security Holders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Security Holder be entitled to claim, from the Issuer, the Trustee or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Security Holders;
 - (ii) except where expressly provided otherwise, the Trustee shall have regard only to the interests of the Security Holders and shall not be required to have

regard to the interests of any other person or to act upon or comply with any direction or request of any other Security Holder or any other person;

- (r) any trustee of this Trust Instrument being a banker, lawyer, accountant, broker or other person engaged in any profession or business shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by him or his partners or firm in connection with this Trust Instrument or any other Document and also his proper charges in addition to disbursements for all other work and business done and all time spent by him or his partners or firm in connection with matters arising in connection with this Trust Instrument or any other Document;
- (s) the Trustee may whenever it thinks fit delegate by power of attorney or otherwise to any person or persons or fluctuating body of persons (whether being a joint trustee of this Trust Instrument or not) all or any of its trusts, rights, powers, authorities, duties and discretions under this Trust Instrument or any other Document. Such delegation may be made upon such terms (including power to sub-delegate) and subject to such conditions and regulations as the Trustee may in the interests of the Security Holders think fit. Provided that the Trustee has exercised reasonable care in the selection of any such delegate, the Trustee shall not be under any obligation to supervise the proceedings or acts of any such delegate or sub-delegate or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such delegate or sub-delegate. The Trustee shall within a reasonable time prior to any such delegation or any renewal, extension or termination thereof give notice thereof to the Issuer;
- (t) the Trustee may in relation to this Trust Instrument or any other Document instead of acting personally employ and pay an agent (whether being a lawyer or other professional person) to transact or conduct, or concur in transacting or conducting, any business and to do, or concur in doing, all acts required to be done in connection with this Trust Instrument or any other Document (including the receipt and payment of money). Provided that the Trustee has exercised reasonable care in the selection of such agent, the Trustee shall not be under any obligation to supervise the proceedings or acts of any such agent or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such agent;
- (u) the Trustee may appoint and pay any person to act as a custodian or nominee on any terms in relation to such assets of the trusts constituted by this Trust Instrument as the Trustee may determine. Provided that the Trustee has exercised reasonable care in the selection of such custodian or nominee, the Trustee shall not be under any obligation to supervise the proceedings or acts of any such person or be in any way responsible for any Liability incurred by reason of any misconduct, omission or default on the part of any such person. The Trustee is not obliged to appoint a custodian if the Trustee invests in securities payable to bearer;
- (v) the Trustee shall not have any responsibility for, or have any duty to make any investigation in respect of, or in any way be liable whatsoever for and hereby declares that it shall not investigate or have any responsibility for:
 - (i) the nature, status, creditworthiness or solvency of the Issuer or any other party to any Document;
 - (ii) the execution, delivery, legality, validity, adequacy, admissibility in evidence, enforceability, genuineness, effectiveness or suitability of any Document or any other document entered into in connection therewith or of any transfer, security or trust effected or constituted or purported to be effected or constituted by any Document or any other document entered into in connection therewith;
 - (iii) the terms of any Document;

- (iv) any calculation by the Issuer of any of the Redemption Amount, the Daily Adjustment or the Price or any other amount which may be calculated by the Issuer;
 - (v) whether any issue or redemption of any Collateralised Currency Security complies with the terms of the Collateralised Currency Securities;
 - (vi) the title to, or the ownership, value, sufficiency or existence of any property comprised or intended to be comprised in the security constituted or purported to be constituted by any Document;
 - (vii) the registration, filing, protection or perfection of the security constituted or purported to be constituted by any Document or the priority of any such security, whether in respect of any initial advance or any subsequent advance or any other sums or liabilities;
 - (viii) the scope or accuracy of any recital, representation, warranty or statement made by or on behalf of any person in any Document or any other document entered into in connection therewith;
 - (ix) the failure by any person to obtain or comply with any licence, consent or other authority in connection with any Document;
 - (x) the failure to call for delivery of documents of title to or require any transfers, legal mortgages, charges or other further assurances pursuant to the provisions of any Documents; or
 - (xi) any accounts, books, records or files maintained by any person in connection with or in respect of any property comprised or intended to be comprised in the security constituted or purported to be constituted by any Document;
- (w) the Trustee may call for any certificate or other document to be issued by the Registrar as to the number of Collateralised Currency Securities of any class standing to the account of any person. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. The Trustee shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the Registrar and subsequently found to be forged or not authentic;
 - (x) the Trustee shall not be responsible to any person for failing to, and shall not, request, require or receive any legal opinion relating to the Collateralised Currency Securities or any Document or any search, report, certificate, advice, valuation, investigation or information relating to any Document, any transaction contemplated by any Document, any party to any Document or any of such party's assets or liabilities or for checking or commenting upon the content of any such legal opinion, search, report, certificate, advice, valuation, investigation or information or for ensuring disclosure to the Security Holders of such content or any part of it or for determining the acceptability of such content or any part of it to any Security Holder and shall not be responsible for any Liability incurred thereby;
 - (y) the Trustee shall not have any responsibility for or have any duty to make any investigation in respect of or in any way be liable whatsoever for the existence, accuracy or sufficiency of any legal or other opinions, searches, reports, certificates, valuations or investigations delivered or obtained or required to be delivered or obtained at any time in connection with this Trust Instrument or any other Document;
 - (z) subject to the requirements, if any, of London Stock Exchange and/or the UK Listing Authority, any corporation into which the Trustee shall be merged or with which it shall be consolidated or any company resulting from any such merger or consolidation shall, on completion of such merger or consolidation, automatically become, a party

hereto and shall be the Trustee under this Trust Instrument without executing or filing any paper or document or any further act being required on the part of the parties hereto;

- (aa) no provision of this Trust Instrument or any other Document shall:
 - (i) require the Trustee to do anything which may be illegal or contrary to applicable law or regulation or prevent the Trustee from doing anything which is necessary or desirable to comply with any applicable law or regulation; or
 - (ii) require the Trustee, and the Trustee shall not be bound, to do anything which may cause it to expend or risk its own funds or otherwise incur any Liability in the performance of any of its duties or in the exercise of any of its rights, powers, authorities or discretions or otherwise in connection with this Trust Instrument or any other Document (including, without limitation, forming any opinion or employing any legal, financial or other adviser), if it shall believe that repayment of such funds is not assured to it or it is not secured and/or indemnified and/or pre-funded to its satisfaction against such Liability and, for this purpose, the Trustee may demand prior to taking any such action, that there be paid to it in advance such sums as it considers (without prejudice to any further demand) shall be sufficient so to indemnify it;
- (bb) unless notified to the contrary, the Trustee shall be entitled to assume without enquiry (other than requesting a certificate from the Issuer) that no Collateralised Currency Securities are held by, for the benefit of, or on behalf of, the Issuer, any holding company of the Issuer or any other Subsidiary of such holding company;
- (cc) any advice, opinion, certificate, report or information called for by or provided to the Trustee (whether or not addressed to the Trustee) in accordance with or for the purposes of this Trust Instrument or any other Document may be relied upon by the Trustee notwithstanding that such advice, opinion, certificate, report or information and/or any engagement letter or other document entered into or accepted by the Trustee in connection therewith contains a monetary or other limit on the liability of the person providing the same in respect thereof and notwithstanding that the scope and/or basis of such advice, opinion, certificate, report or information may be limited by any such engagement letter or other document or by the terms of the advice, opinion, certificate, report or information itself;
- (dd) each Security Holder shall be solely responsible for making its own independent appraisal of and investigation into the financial condition, creditworthiness, affairs, status and nature of the Issuer and each other obligor under the Documents and the Trustee shall not at any time have any responsibility for the same and each Security Holder shall not rely on the Trustee in respect thereof;
- (ee) the Trustee will not be responsible or liable for any inadequacy or unfitness of any Document as security or any decline in value or any loss realised as a consequence of such Document;
- (ff) the Trustee shall not be under any obligation to insure any of the property created by the Documents or to require any other person to maintain any such insurance or monitor the adequacy of any such insurance and shall not be responsible for any liability which may be suffered by any person as a result of the lack of or inadequacy of any such insurance;
- (gg) the Trustee shall not be responsible for any loss, expense or liability which may be suffered as a result of any assets comprised in the Documents, or any deeds or documents of title thereto, being held by or to the order of clearing organisations or their operators or by intermediaries such as banks, brokers, depositories or other persons whether or not on behalf of the Trustee; and

- (hh) nothing contained in this Trust Instrument or the other Documents shall impose any obligation on the Trustee to make any advance to the Issuer.

23 Trustee's liability

- 23.1 Save in the case of fraud, wilful misconduct or gross negligence, the Trustee (or any director, officer or employee of any Trust Corporation which is a Trustee) shall have no liability hereunder for a breach of trust and save in such circumstances, no Trustee (and no director, officer or employee of a Trust Corporation which is a Trustee) in execution of the trusts and powers under these presents, shall be liable for any loss arising by reason of any mistake or omission by him or by reason of any other matter or thing including fraud, wilful misconduct, gross negligence or default of another director, officer or employee or Trustee.
- 23.2 Notwithstanding any rule of law equity or otherwise to the contrary nothing in these presents shall oblige or impose on the Trustee any duties to preserve or enhance the value of the Collateralised Currency Securities or the Collateralised Currency Securities of any class and accordingly the Trustee shall not be liable to any Security Holders for any failure to preserve or enhance the value of the Collateralised Currency Securities or any part of them.

24 Trustee contracting with Issuer

- 24.1 Neither the Trustee nor any director, officer or employee of a Trust Corporation acting as a trustee under these presents shall by reason of its or their fiduciary position be in any way precluded from:
- (a) entering into or being interested in any contract or financial or other transaction or arrangement with the Issuer or any other party to any Document (each a **Relevant Company**) or person or body corporate associated with a Relevant Company (including, without limitation, any contract, transaction or arrangement of a banking or insurance nature or any contract, transaction or arrangement in relation to the making of loans or the provision of financial facilities or financial advice to, or the purchase, placing or underwriting of, or the subscribing or procuring subscriptions for, or otherwise acquiring, holding or dealing with the Collateralised Currency Securities or any other notes, bonds, stocks, shares, debenture stock, debentures or other securities of, a Relevant Company or any person or body corporate associated as aforesaid); or
 - (b) accepting or holding the trusteeship of any other trust deed constituting or securing any other securities issued by or relating to or any other liabilities of a Relevant Company or any person or body corporate associated as aforesaid or any other office of profit under a Relevant Company or any such person or body corporate associated as aforesaid

and shall be entitled to exercise and enforce its rights, comply with its obligations and perform its duties under or in relation to any such contract, transaction or arrangement as is referred to in (A) above or, as the case may be, any such trusteeship or office of profit as is referred to in (B) above without regard to the interests of the Security Holders and notwithstanding that the same may be contrary or prejudicial to the interests of the Security Holders and shall not be responsible for any Liability occasioned to the Security Holders thereby and shall be entitled to retain and shall not be in any way liable to account for any profit made or share of brokerage or commission or remuneration or other amount or benefit received thereby or in connection therewith.

- 24.2 Where any holding company, subsidiary or associated company of the Trustee or any director, officer or employee of the Trustee acting other than in his capacity as such a director or officer has any information, the Trustee shall not thereby be deemed also to have knowledge of such information and, unless it shall have actual knowledge of such information, shall not be responsible for any loss suffered by Security Holders resulting from the Trustee's failing to

take such information into account in acting or refraining from acting under or in relation to this Trust Instrument or any other Document.

25 Waiver, authorisation and determination

- 25.1 Subject to Clause 25.2, the Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in this Trust Instrument or any Security Deed, or determine that any Defaulted Obligation, Issuer Insolvency Event or Counterparty Event of Default shall not be treated as such PROVIDED THAT the Trustee shall not exercise any powers conferred on it by this Clause in contravention of any express direction given as provided in Condition 7.2 but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.
- 25.2 Security Holders in respect of any class or classes of Collateralised Currency Securities have power by Extraordinary Resolution to instruct the Trustee to, *inter alia*, (i) sanction the release of the Issuer from the obligation to pay money payable pursuant to this Trust Instrument, (ii) sanction any modification, abrogation or compromise of, or arrangement in respect of, their rights against the Issuer, (iii) assent to any modification or abrogation of the covenants or provisions contained in this Trust Instrument proposed or agreed to by the Issuer and (iv) sanction other matters as provided therein.

26 Registers

The Issuer shall at all times keep at its registered office, or at such other place in Jersey as the Trustee may agree, registers showing the date of issue and all subsequent redemptions, transfers and changes of ownership of all outstanding Collateralised Currency Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 calendar days in any one year) as it may think fit. Schedule 3 (*Provisions Relating to Registration and Transfer of Collateralised Currency Securities*) shall apply.

27 New Trustee

- 27.1 The power to appoint a new trustee of these presents shall be vested in the Issuer. One or more persons may hold office as trustee or trustees of these presents but such trustee or trustees shall be or include a Trust Corporation. Whenever there shall be more than two trustees of these presents the majority of such trustees shall be competent to execute and exercise all the duties, powers, trusts, authorities and discretions vested in the Trustee by these presents provided that a Trust Corporation shall be included in such majority. Any Notification of the appointment of a new trustee of these presents shall be published by the Issuer through a RIS as soon as practicable thereafter.
- 27.2 Notwithstanding the provisions of Clause 27.1, the Trustee may, upon giving prior notice to the Issuer (but without the consent of the Issuer or the Security Holders), appoint any person

established or resident in any jurisdiction (whether a Trust Corporation or not) to act either as a separate trustee or as a co-trustee jointly with the Trustee:

- (a) if the Trustee considers such appointment to be in the interests of the Security Holders;
- (b) for the purposes of conforming to any legal requirements, restrictions or conditions in any jurisdiction in which any particular act or acts is or are to be performed; or
- (c) for the purposes of obtaining a judgment in any jurisdiction or the enforcement in any jurisdiction of either a judgment already obtained or any of the provisions of these presents against the Issuer.

The Issuer irrevocably appoints the Trustee to be its attorney in its name and on its behalf in respect of such appointment to execute any such instrument of appointment. Such a person shall (subject always to the provisions of these presents) have such trusts, powers, authorities and discretions (not exceeding those conferred on the Trustee by these presents) and such duties and obligations as shall be conferred or imposed by the instrument of appointment. The Trustee shall have power in like manner to remove any such person. Such reasonable remuneration as the Trustee may pay to any such person, together with any attributable Liabilities incurred by it in performing its function as such separate trustee or co-trustee, shall for the purposes of these presents be treated as Liabilities incurred by the Trustee.

28 Trustee's retirement and removal

A trustee of these presents may retire at any time on giving not less than three months' prior written notice to the Issuer without giving any reason and without being responsible for any Liabilities incurred by reason of such retirement. The Security Holders may by Extraordinary Resolution of the Security Holders (as a single class) appoint or remove any trustee or trustees for the time being of these presents. In the event of the only trustee of these presents which is a Trust Corporation giving notice under this Clause or being removed by Extraordinary Resolution the Issuer will use its reasonable endeavours to procure that a new trustee of these presents (being a Trust Corporation) is appointed as soon as reasonably practicable thereafter. The retirement or removal of any such trustee shall not become effective until a successor trustee (being a Trust Corporation) is appointed.

29 Trustee's powers to be additional

The powers conferred upon the Trustee by these presents shall be in addition to any powers which may from time to time be vested in the Trustee by the general law or as a holder of any of the Collateralised Currency Securities or any other securities of any class, type or category issued by the Issuer.

30 Notices

- 30.1 Any notice or demand to the Issuer or the Trustee to be given under these presents shall be:
 - 30.1.1 in writing;
 - 30.1.2 in the English language;
 - 30.1.3 signed by an Authorised Signatory on behalf of the party giving the same and, in the case of notification to the Trustee, be marked "Urgent - This requires Immediate Attention"; and
 - 30.1.4 sent by pre paid post (first class if inland, first class airmail if overseas), by facsimile transmission, by telephone (provided that a confirmatory notice is sent by facsimile as

aforsaid), or by delivering it by hand, such notice to be addressed, despatched, given or delivered to the respective person, address or number for each party set out below:

to the Secretary of the Issuer:

c/o R&H Fund Services (Jersey) Limited P.O. Box 83
Ordnance House
31 Pier Road
St. Helier
Jersey
JE4 8PN

(Attention: Graeme Ross/Craig Stewart)

Telephone No. [REDACTED]
Facsimile No. [REDACTED]

to the Trustee:

Fifth Floor
100 Wood Street
London EC2V 7EX

(Attention: the Manager, Commercial Trusts)

Telephone No. [REDACTED]

Facsimile No. [REDACTED]

or to such other person, address, facsimile number or email address as shall have been notified (in accordance with this Clause) to the other party by not less than seven calendar days' written notice received before the notice was despatched and any notice or demand sent by post shall be deemed to have been given, made or served three calendar days in the case of inland post or seven calendar days in the case of overseas post after despatch and any notice or demand given by hand, facsimile transmission or telephone shall be deemed to have been given, made or served upon actual receipt thereof by the recipient.

31 Amendments to documents

- 31.1 Subject to this Clause 31, the Issuer covenants that it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where that amendment is at the election of a Currency Transaction Counterparty to amend the terms of a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement to substantially conform that Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement to another Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement entered into between the Issuer and another Currency Transaction Counterparty and by the creation or closing of Currency Transactions or the entering into of Repos.
- 31.2 The Issuer may, without prejudice to Clause 31.4, by supplemental agreement or supplemental instrument or deed, as applicable, amend the Conditions, this Trust Instrument, any Security Deed or amend or novate any of the Trustee Consent Documents (in respect of sub-clauses 31.2(a), (b), (e) and (f) below without the consent of the Trustee), if one or more of the following applies:
- (a) if the amendment is to substitute for any person providing credit support (howsoever described) for the obligations of a Currency Transaction Counterparty under a Facility

Agreement, ISDA Master Agreement or Global Master Repurchase Agreement another person having an Acceptable Credit Rating;

- (b) if the amendment or novation is (A) to effect the transfer of any Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement, or any or any part of any Currency Transaction or Repo (or any position constituting any or any part of such Currency Transaction or Repo) to any Currency Transaction Counterparty or other person (the **transferee**) or to make amendments consequent upon such transfer or (B) to effect the appointment of a new Currency Transaction Counterparty (a **new CTC**), provided that (where such transferee is not a Currency Transaction Counterparty immediately prior to such amendment and novation):
- (i) the transferee or new CTC, as the case may be, has an Acceptable Credit Rating;
 - (ii) such amendment or novation would not affect the Price or Principal Amount of any Collateralised Currency Securities;
 - (iii) such amendment or novation would not reduce the number of Pricing Days in respect of any class of Collateralised Currency Securities;
 - (iv) a Security Deed is executed and delivered in respect of the Issuer's rights (after the exercise of set-off or close out netting rights of such transferee or new CTC as the case may be) under any ISDA Master Agreement or Global Master Repurchase Agreement which the Issuer enters into with such transferee or new CTC, as the case may be, and over any account which is either:
 - (aa) a Relevant Issuer Account established and maintained by the Issuer in respect of its dealings with such transferee or new CTC, as the case may be; or
 - (bb) an account of such transferee or new CTC, as the case may be, established and maintained by it in respect of its dealings with the Issuer in connection with Collateralised Currency Securities with a view to providing security to the Issuer in respect of such transferee's or, as the case may be, new CTC's obligations under such novated or amended documents;
- (c) in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- (d) in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- (e) the amendment is to substitute a different currency index for one or more of the Currency Indices and consequential changes provided that:
- (i) corresponding adjustments have been agreed with each of the Currency Transaction Counterparties which have Currency Transactions outstanding that refer to the relevant Currency Index or Currency Indices;
 - (ii) the adjustments so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Price of the Collateralised Currency Securities of that class or classes which are the subject of the substitution; and
 - (iii) the adjustments do not take effect until at least 30 calendar days have elapsed after they are announced to Security Holders in an RIS announcement;

- (f) the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different classes of Collateralised Currency Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each class of Collateralised Currency Security affected passed in accordance with this Trust Instrument;
- (g) Clause 31.2(f) above does not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with this Trust Instrument;
- (h) the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory taxation or other requirement of law (including as modified or applied in any respect to the Collateralised Currency Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of this Trust Instrument or such Conditions, Security Deed or Trustee Consent Document; or
- (i) such amendment relates to the terms of an Eligible Collateral Agreement,

Provided that the Trustee shall not (unless it otherwise agrees) be required to amend, or enter into any new document if it would affect its duties or liabilities or its own position.

- 31.3 In the case of an amendment (other than an amendment or novation made pursuant to Clause 31.2(b)) to a Facility Agreement or an Authorised Participant Agreement, the amendment may not take effect for at least 30 calendar days (or five Issuer Business Days if the amendment is to be made pursuant to an obligation in the Facility Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein)) following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.
- 31.4 The restrictions imposed by Clauses 31.1 or 31.2 shall not apply to any amendment to the terms of a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement which, under the terms thereof, is automatic or at the election of the relevant Currency Transaction Counterparty in the circumstances described in Clause 31.1
- 31.5 The Issuer shall notify all Security Holders of a proposed amendment as referred to in sub-clause 31.2(a) by publishing a notice on a RIS at least 30 calendar days' prior to such amendment becoming effective.
- 31.6 Without prejudice to Clause 5.2(a), the Issuer shall notify all Security Holders of a proposed amendment or novation as referred to in Clause 31.2(b) by publishing a notice on a RIS at least 10 calendar days prior to such amendment or novation becoming effective.
- 31.7 The Issuer shall notify all Security Holders of a proposed amendment as referred to in sub-clauses 31.2(e) and 31.2(f) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.
- 31.8 The Issuer shall give Security Holders at least 30 calendar days notice of a proposed amendment to the Eligible Collateral Agreement as referred to in Clause 31.2(i) or, if the Trustee consents on the basis that such amendment is not materially prejudicial to the interests of Security Holders, at least 5 calendar day notice.
- 31.9 No notice need be given of any amendment as referred to in sub-clauses 31.2 (c) or (g) or Clause 31.4 unless the Trustee otherwise requires.

32 Governing law and submission to jurisdiction

- 32.1 This Trust Instrument is governed by, and shall be construed in accordance with Jersey law and the proper law of the trust constituted by this Trust Instrument shall be Jersey law.
- 32.2 The Issuer irrevocably agrees for the benefit of the Trustee and the Security Holders that the courts of Jersey are to have jurisdiction to settle any disputes which may arise out of or in connection with this Trust Instrument and that accordingly any suit, action or proceedings arising out of or in connection with this Trust Instrument (together referred to as **Proceedings**) may be brought in the courts of Jersey. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Jersey and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of Jersey shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Clause shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

33 Counterparts

This Trust Instrument and any trust instrument supplemental hereto may be executed and delivered in any number of counterparts, all of which, taken together, shall constitute one and the same instrument and any party to this Trust Instrument or any trust instrument supplemental hereto may enter into the same by executing and delivering a counterpart.

34 Limited recourse and non-petition

- 34.1 The Trustee (on behalf of the Security Holders of Collateralised Currency Securities of any class) and the Security Holders of Collateralised Currency Securities in any such class shall have recourse only to sums derived from the Class Collateral Pool for that class. If, the Security Trustee (or any other secured party) having realised the same, the net proceeds of such Class Collateral Pool are insufficient to satisfy all payments under the Collateralised Currency Securities of such class which, but for the effect of this Condition, would then be due from the Issuer to the holders of Collateralised Currency Securities of such class, the obligations of the Issuer in respect of such class of Collateralised Currency Securities will be limited to such net proceeds of realisation, and neither the Trustee, the Security Trustee, any Security Holder of that class nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums in respect of such class and no debt shall be owed by the Issuer to any such person in respect of any such further sum in respect of such Collateralised Currency Securities. Further, neither the Trustee, the Security Trustee nor any Security Holder of any such Collateralised Currency Security shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) in respect of claims under such Collateralised Currency Security in relation to the Issuer (except for the appointment of a receiver and manager pursuant to a Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period, howsoever described, ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any class issued by the Issuer and constituted by this Trust Instrument are repaid, nor shall they have any claim in respect of any other assets of the Issuer.
- 34.2 The obligations of the Issuer under, and in connection with this Trust Instrument are solely corporate obligations of the Issuer. Neither the Trustee nor any Security Holder shall have any recourse against any shareholder, director, officer or agent of the Issuer for any claim,

loss, liability or expense suffered or incurred by it under, or in connection with, this Trust Instrument other than as permitted at law.

Schedule 1 – Form of certificate for Collateralised Currency Securities

Reference No. Certificate No. Transfer No. Number of Securities

ETFS FOREIGN EXCHANGE LIMITED

Authorised pursuant to resolutions of the Board of Directors of ETFS Foreign Exchange Limited (the **Issuer**) passed on 05 November 2009

(Incorporated with limited liability under the laws of Jersey with registered number 103518)

ISSUE OF

[SPECIFY CLASS]

COLLATERALISED CURRENCY SECURITIES

THIS IS TO CERTIFY THAT

is/are the registered holder(s) of the above-mentioned undated limited recourse secured debt securities with a Principal Amount of [US\$1]/[Euro1] each (the **Securities**) which are constituted by a trust instrument dated 05 November 2009 (the "Trust Instrument") and made between the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Trustee**) as trustee for (inter alios) the holders of such Securities, and such Securities are issued with the benefit of and subject to the provisions contained in the Trust Instrument and the Conditions (the **Conditions**) set out in Schedule 2 to the Trust Instrument. The Issuer acknowledges that it is indebted to the holder of such Securities in respect of the higher from time to time of the Principal Amount and the Redemption Amount (each as defined in the Conditions) in accordance with the Conditions and subject as provided in the Trust Instrument undertakes to pay on redemption of such Securities the amount due in accordance with the Conditions.

Given under the Securities Seal of the Issuer on

NOTES:

- (i) The Securities are transferable in minimum denominations of one.
- (ii) No transfer of any part of the Securities represented by this Certificate will be registered unless (A) it is accompanied by this Certificate or (B) it is in uncertificated form.

No transfer of any of the securities comprised in this Certificate will be registered until this Certificate has been lodged with the Issuer's Registrar, COMPUTERSHARE INVESTOR SERVICES (JERSEY) LIMITED, P.O. BOX No. 83, ORDNANCE HOUSE, 31 PIER ROAD, ST. HELIER, JERSEY JE4 8PW. TELEPHONE: 01534 825329/825231. FAX 01534 825247.

Schedule 2 – The conditions – Collateralised Currency Securities

PART 11

TERMS AND CONDITIONS OF COLLATERALISED CURRENCY SECURITIES

The issue of Collateralised Currency Securities of the Issuer (each having the Principal Amount stated in paragraph 3 of Part 14 (*Additional Information*)) having an aggregate Principal Amount of up to US\$ 1,000,000,000 for each class denominated in US\$ described in this Prospectus and of up to EUR 1,000,000,000 for each class denominated in Euros described in this Prospectus, was authorised pursuant to resolutions of the Board passed on 21 August 2009 and 30 October 2009 and the Collateralised Currency Securities will be constituted by a Trust Instrument dated 5 November 2009 (the **Trust Instrument** which expression includes further deeds or documents supplemental thereto from time to time), which is governed by Jersey law between the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Trustee**) (as amended) and secured by one or more security deeds, including a security deed governed by English law dated 5 November 2009 between the Issuer and The Law Debenture Trust Corporation p.l.c. (the **Security Trustee**).

AXII.4.1.5
AXII.4.1.8
AXII.4.1.7
AXII.4.1.3

AXII.5.1.1

The following are the conditions applicable to the Collateralised Currency Securities.

The Conditions

The Collateralised Currency Securities are undated, limited recourse, secured debt securities of ETFS Foreign Exchange Limited (the **Issuer**) and are constituted by, issued subject to and have the benefit of, a trust instrument (the **Trust Instrument** which expression includes further deeds or documents supplemental thereto from time to time) dated 5 November 2009 between the Issuer and The Law Debenture Trust Corporation p.l.c. as trustee (the **Trustee**) for the holders of Collateralised Currency Securities (the **Security Holders**) and are governed by Jersey law.

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

1 DEFINED TERMS AND INTERPRETATION

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

Acceptable Credit Rating means a long term senior debt credit rating of at least BBB- from Standard & Poor's Rating Services, a division of the McGraw-Hill Companies Inc. (or any successor to the ratings business thereof), and of at least Baa3 from Moody's Investors Service Inc. (or any successor to the ratings business thereof).

Account Bank means an institution licensed to accept deposits in accordance with applicable law and regulation.

Account Provider is a Custodian, Account Bank or Collateral Administrator with whom the Issuer holds all or part of a Relevant Issuer Account.

Account Provider's Rights are, in respect of any Account Provider (a) any security or right of lien over all or part of a Relevant Issuer Account granted to such Account Provider or (b) any right of set-off over (or to combine, consolidate or merge) any such account, where such security or right is granted under an agreement governing such account.

Adjusted Counterparty Collateral Pool means, in respect of a Counterparty Collateral Pool such Counterparty Collateral Pool excluding any Excess Eligible Collateral Value.

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

Agreed Pricing means the method prescribed under Conditions 6.14 to 6.17 by which an Authorised Participant may agree a Redemption of any Collateralised Currency Security with a Currency Contract Counterparty.

Agreed Creation Notice means a notice given as an "Agreed Creation Notice" pursuant to a Facility Agreement.

Agreed Redemption Form means a notice in the form prescribed from time to time by the Issuer requesting Redemption of Collateralised Currency Securities using Agreed Pricing.

Assigned Agreements means, in relation to a Counterparty Collateral Pool, the Relevant Facility Agreement, Relevant ISDA Master Agreement (after the exercise of and subject to the close out netting and set off rights), Relevant Global Master Repurchase Agreement (after the exercise of and subject to the close out netting and set off rights), Collateral Administration Agreement, Custody Agreement and each Relevant Authorised Participant Agreement entered into by the Issuer which are relevant to such Counterparty Collateral Pool.

authenticated computer instruction shall bear the meaning given to it in the Regulations.

Authorised Participant means a person which has entered into an Authorised Participant Agreement with the Issuer in relation to Collateralised Currency Securities and, for each Currency Transaction Counterparty in respect of which such person is to act as an Authorised Participant:

- (a) such person has entered into a corresponding Direct Agreement with that Currency Transaction Counterparty (save where the person is the same person as the Currency Transaction Counterparty or its Affiliate); and
- (b) which is not an Unacceptable Authorised Participant in respect of that Currency Transaction Counterparty,

and, for the avoidance of doubt, a person can be an Authorised Participant in respect of one Currency Transaction Counterparty but not another.

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

Authorised Participant Redemption Limit has the meaning set out in Condition 6.6(b)

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

Cash Account means a cash account held by the Issuer with an Account Bank.

Certificated or Certificated Form means not in Uncertificated Form.

class means a series of fungible Collateralised Currency Securities under which the Issuer's obligations to make payment are determined by reference to the same Currency Index and which have recourse to the same assets.

Class Collateral Pool means, in respect of any class of Collateralised Currency Securities, the Gross Class Collateral Pool for such class subject to the rights of and after deduction of any amounts held for or distributed to the Trustee, the Security Trustee, each Corresponding Currency Transaction Counterparty and the Security Holders of any other class as determined in accordance with the Priority Schedule.

Closing means, in respect of a Currency Transaction, the "Closing" of a Currency Transaction as defined under the Facility Agreement relevant to such Currency Transaction.

Closing Level means, in relation to a Currency Index on any day, the official closing level for such index as published or caused to be published on and in respect of that day by the Index Provider pursuant to or as contemplated by the Manual.

Collateral Administration Agreement, in respect of a Currency Transaction Counterparty, has the meaning given to it in the Facility Agreement with that Currency Transaction Counterparty.

Collateral Administrator means, in respect of a Currency Transaction Counterparty, the person specified as such in the Facility Agreement with that Currency Transaction Counterparty.

Collateral Administrator Insolvency means the Collateral Administrator (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in limb (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) above (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

Collateral Administrator Suspension Day, in respect of a Currency Transaction Counterparty, has the meaning given to it in the Facility Agreement with that Currency Transaction Counterparty.

Collateralised Currency Securities means 74 classes of Collateralised Currency Securities which have been authorised for issue as further described in the Trust Instrument together with any Further Securities issued pursuant to Condition 15, and "**Collateralised Currency Security**" means any of them.

Compulsory Daily Amount means, in respect of a Compulsory Redemption and a class of Collateralised Currency Securities:

- (a) if the Compulsory Redemption Amount is not more than the Redemption Limit (in each case for that class), the Compulsory Redemption Amount;
- (b) if the Compulsory Redemption Amount is equal to 5 or more times such Redemption Limit, 20 per cent. of the Compulsory Redemption Amount; and
- (c) otherwise, such Redemption Limit.

Compulsory Redemption means a Redemption of Collateralised Currency Securities in accordance with Condition 7.

Compulsory Redemption Amount means on any Pricing Day, in respect of any class of Collateralised Currency Securities subject to Compulsory Redemption, an amount equal to the product of the Compulsory Redemption Number and the Redemption Amount for such class on such Pricing Day provided that in respect of a Compulsory Redemption Date notified pursuant to Condition 7.3 and where the applicable Currency Index has not been published on such Compulsory Redemption Date, the Compulsory Redemption Amount for such class is the amount of the proceeds of the liquidation of the Class Collateral Pool that would be available to

meet the claims of holders of Collateralised Currency Securities of the relevant class as determined by the Issuer as at such Compulsory Redemption Date.

Compulsory Redemption Date means a date notified in accordance with Conditions 7.1, 7.2, 7.3, 7.4 or 7.5.

Compulsory Redemption Number means in respect of a Compulsory Redemption Date and a class of Collateralised Currency Securities, where such Compulsory Redemption Date is notified or occurs in accordance with:

- (a) Condition 7.1 and 7.3, the number of Collateralised Currency Securities of that class specified in such notice;
- (b) Condition 7.2 and 7.4, the total number of Collateralised Currency Securities of that class outstanding as at the end of the London Business Day immediately preceding the Compulsory Redemption Date;
- (c) Condition 7.5, the number of Collateralised Currency Securities of that class in respect of which notice was given by the Issuer in accordance with Condition 7.5 with respect to the Security Holder in question.

Compulsory Redemption Price means in respect of any Collateralised Currency Securities Redeemed as of any Pricing Day, the Price on such Pricing Day and in respect of any Collateralised Currency Securities Redeemed pursuant to Condition 7.3 where no Price is available, an amount equal to the amount of the proceeds of the liquidation of the Class Collateral Pool that would be available to meet the claims of holders of Collateralised Currency Securities of the relevant class as determined by the Issuer as at such Compulsory Redemption Date divided by the Compulsory Redemption Number.

Conditions means these terms and conditions on and subject to which Collateralised Currency Securities are issued.

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

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

Corresponding Currency Transaction means, in respect of any class of Collateralised Currency Securities, a Currency Transaction of the class (as defined under the Relevant Facility Agreement) which corresponds to such class of Collateralised Currency Securities.

Corresponding Currency Transaction Counterparty means, in respect of any class of Collateralised Currency Securities, a Currency Transaction Counterparty with whom the Issuer has entered into a Facility Agreement for the creation of Corresponding Currency Transactions and with whom the Issuer has entered into a Currency Transaction in respect of such Class of Collateralised Currency Securities but in respect of a New Class, where a division of a Gross Class Collateral Pool is effected pursuant to Condition 15.5, means a Currency Transaction Counterparty as determined pursuant to Condition 15.5.

Counterparty Collateral Pool means, in respect of any class of Collateralised Currency Securities, for a Corresponding Currency Transaction Counterparty for such class, all of the Issuer's right, title and interest in and to:

- (a) the Relevant Issuer Account and all of its rights, title and interest in any securities held in or cash balances standing to the credit of such Relevant Issuer Account; and
- (b) the Assigned Agreements; and

a Counterparty Collateral Pool (A) **relates** to such Corresponding Currency Transaction Counterparty and (B) is **relevant** to a class of Collateralised Currency Securities where that Counterparty Collateral Pool relates to a Corresponding Currency Transaction Counterparty in respect of such class or (where a division of a Gross Class Collateral Pool is effected pursuant to Condition 15.5) as notified by the Issuer by RIS announcement in respect of such class pursuant to Condition 15.5.

Counterparty Event of Default means, in relation to a Currency Transaction Counterparty, any event occurring in respect of that Currency Transaction Counterparty which is an Event of Default under the ISDA Master Agreement to which such Currency Transaction Counterparty is a party.

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

CTC Enforcement Event, in relation to a Security Deed, has the meaning given to it in that Security Deed (and CTC Enforcement Event **relates** to the Counterparty Collateral Pool the subject of such Security Deed).

Currency Index means in respect of a class of Collateralised Currency Securities, the currency index specified as such in relation to such class in the Trust Instrument.

Currency Transaction means in relation to a Collateralised Currency Security of any class, a transaction between the Issuer and a Currency Transaction Counterparty governed by a Relevant ISDA Master Agreement and created in accordance with a Relevant Facility Agreement in respect of that class.

Currency Transaction Counterparty means the counterparty to a Facility Agreement and ISDA Master Agreement with the Issuer, and includes MSIP.

Custodian means any institution licensed to safeguard and administer investments in accordance with applicable law and regulation.

Custody Account means a securities account (or, as the case may be, securities and cash account) held by the Issuer with a Custodian.

Custody Agreement, in respect of a Currency Transaction Counterparty, has the meaning given to it in the Facility Agreement with that Currency Transaction Counterparty.

Daily Adjustment, in respect of any class of Collateralised Currency Transactions on any Pricing Day, has the meaning given to $DA_{i,t}$ in the formula in Condition 5.2.

Daily Adjustment Agreement means, in respect of any Currency Transaction Counterparty, the agreement specified as such in the Facility Agreement with such Currency Transaction Counterparty.

Daily Payment Amount means, in respect of any Currency Transaction, the Daily Payment Amount (payable under an ISDA Master Agreement) as defined in the Facility Agreement which required the creation of such Currency Transaction provided that (a) where such Currency Transaction is terminated and liquidated under the ISDA Master Agreement governing it, the Daily Payment Amount for the purposes of these Conditions shall be the value determined in respect of such terminated transaction under and in accordance with the provisions of the ISDA Master Agreement and (b) where as a result of a Disruption Event the obligations of the parties to pay the Daily Payment Amount are modified or substituted with an obligation to pay another

amount under the terms of that ISDA Master Agreement, such Daily Payment Amount as so modified or such other amount as so substituted.

Daily Payment Amount Facility means any overnight overdraft or overnight loan facility provided to the Issuer by a Collateral Administrator or other financial institution solely for the purpose of settling Daily Payment Amounts where the Issuer has not received payment of an amount under a Repo from a Currency Transaction Counterparty prior to the relevant cut off for making such Daily Payment Amount (and for these purposes "overnight" refers to an overdraft or loan made on any day for repayment on the next Repo day).

Daily Spread means, in respect of any class of Collateralised Currency Securities, on any day, a percentage amount equal to a volume weighted average of the Spreads in relation to all Corresponding Currency Transactions of such class on such day calculated as a daily rate in accordance with the following formula:

$$DS_{i,t} = \frac{\sum_{u=1}^n V_{i,u,t-1} \times S_{i,u,t}}{\sum_{u=1}^n V_{i,u,t-1}}$$

Where:

- $DS_{i,t}$ is the Daily Spread in respect of class i on day t ;
- $S_{i,u,t}$ is the Spread in respect of a Currency Transaction of class i on day t under the Daily Adjustment Agreement with Currency Transaction Counterparty u expressed as a daily percentage rate (on the basis of a 365 day year);
- $V_{i,u,t-1}$ is the Volume in respect of Currency Transaction i on Pricing Day $t-1$ for Currency Transaction Counterparty u (provided that it does not refer to any Volume which would be calculated as zero (0) on such Pricing Day);
- u refers to a Currency Transaction Counterparty that has created a Corresponding Currency Transaction; and

provided, for the avoidance of doubt, that if $DS_{i,t}$ would otherwise equal $\frac{0}{0}$ it shall be regarded as equal to zero (0).

Deemed Redemption Payment Date has the meaning given in Condition 6.5.

Defaulted Obligation means the failure of the Issuer to make or procure any payment in respect of the Redemption of any Collateralised Currency Securities when due, and such failure is not remedied on or before:

- (a) in the case of a failure caused in whole or in part by a Currency Transaction Counterparty to comply with its obligations to the Issuer or such obligations are suspended by reason of force majeure or other circumstances beyond the control of the Issuer, the fourth Repo Day;
- (b) in the case of a failure caused in whole or in part by a Collateral Administrator Insolvency or a failure of a Collateral Administrator to comply with its obligations to the Issuer or such obligations are suspended by reason of force majeure or other circumstances beyond the control of the Issuer, the second Repo Day after the Deemed Redemption Payment Date; and
- (c) in any other case, the second Repo Day,

after receipt of notice requiring remedy of the same provided that (A) if an amount paid by a Currency Transaction Counterparty under the terms of a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement which will be used by the Issuer to fund the payment of a Redemption Amount is subject to any withholding or deduction for or on account of

any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect, and that Currency Transaction Counterparty is not obliged under that Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement to make any additional payment in respect of the withholding or deduction and the net amount is so paid or procured to be paid by the Issuer in respect of that Redemption, that shall not be a Defaulted Obligation and (B) where in respect of a Redemption of any Collateralised Currency Security of any class on any day the Issuer pays an amount equal to the amount which the holder of such Collateralised Currency Security would be entitled pursuant to Condition 3.2 after the Security Trustee or a secured party had realised all of the Class Collateral Pool for such class if such day was a Compulsory Redemption Date for such class, that shall not be a Defaulted Obligation.

Direct Agreement means an agreement entered into between a Currency Transaction Counterparty and an Authorised Participant or a person proposed by the Issuer to become an Authorised Participant providing for direct recourse in respect of certain matters between a Currency Transaction Counterparty and an Authorised Participant.

Disruption Event in relation to any ISDA Master Agreement has the meaning given to it in that ISDA Master Agreement.

Division Fraction has the meaning given to it in Condition 15.6.

Early Termination Date, in respect of an ISDA Master Agreement, has the meaning given to it in that ISDA Master Agreement.

Eligible Collateral means securities and/or cash specified as such in an Eligible Collateral Agreement.

Eligible Collateral Agreement means an agreement between a Currency Transaction Counterparty and the Issuer and, if applicable, a Collateral Administrator relating to the acceptability of securities to be purchased and/or collateral to be provided under any Global Master Repurchase Agreement or other arrangement under which such Currency Transaction Counterparty sells securities and/or provides collateral to the Issuer (and, as at the Effective Date of the MSIP Facility Agreement, the Eligible Collateral Agreement is the Eligible Collateral Agreement between MSIP, the Issuer and the Collateral Administrator in respect of MSIP).

ETFSL means ETF Securities Limited, a company incorporated and registered in Jersey, with registered number 88370.

Euro means the lawful currency of the participating member states of the European Union adopted in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union.

Euro Collateralised Currency Security means a Collateralised Currency Security denominated in Euros.

Euro Currency Transaction means a Currency Transaction under which the payment obligations of the parties to that transaction are denominated in Euros (other than payment obligations arising in respect of any "Early Termination Amount" under an ISDA Master Agreement).

Euro Repo means a repurchase transaction subject to and governed by a Global Master Repurchase Agreement under which the payment obligations of the parties to such transaction are denominated in Euros (other than in the case of any sum payable pursuant to paragraph 10(c) of such Global Master Repurchase Agreement).

Event of Default means, in respect of an ISDA Master Agreement, an "Event of Default" as defined in that agreement and in respect of a Global Master Repurchase Agreement, an "Event of Default" as defined in that agreement.

Excess Eligible Collateral Value means, in relation to any Eligible Collateral transferred on any day (the transfer date) to the Issuer on any day in accordance with an Eligible Collateral Agreement which applied a discount to the value of such Eligible Collateral on that day, and where after the Trustee or a secured party realises such Eligible Collateral the amount by which the proceeds of such realisation exceed the discounted value of all such Eligible Collateral on the transfer date.

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

Facility Agreements means the agreements of that name between the Issuer and different Currency Transaction Counterparties providing for the creation and closing of Currency Transactions including an agreement of that name between the Issuer and MSIP dated 5 November 2009 (the **MSIP Facility Agreement** and, for so long as MSIP is the only Currency Transaction Counterparty, the **Facility Agreement**).

FSA means the Financial Services Authority of the United Kingdom or any successor to such body.

FSMA means the Financial Services and Markets Act 2000.

Further Securities means securities issued by the Issuer in accordance with Condition 15.1.

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

Global Master Repurchase Agreements means the agreements of that name between the Issuer and the Currency Transaction Counterparties governing Repos including an agreement of that name between the Issuer and MSIP dated 5 November 2009 (the **MSIP GMRA** and, for so long as MSIP is the only Currency Transaction Counterparty, the **GMRA**).

Gross Class Collateral Pool means, in respect of any class of Collateralised Currency Securities, all the assets comprised in each Counterparty Collateral Pool relevant to such class.

Guarantee means in respect of any Currency Transaction Counterparty, any guarantee or other credit support agreement provided by a guarantor or other credit support provider in respect of such Currency Transaction Counterparty's obligations under the relevant Facility Agreement, ISDA Master Agreement and/or Global Master Repurchase Agreement.

Guarantor means in respect of any Currency Transaction Counterparty, any guarantor or other credit support provider who has entered into a Guarantee in respect of such Currency Transaction Counterparty's obligations under the relevant Facility Agreement, ISDA Master Agreement and/or Global Master Repurchase Agreement.

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

Index Business Day means in respect of any class, a day on which the Currency Index for such class is scheduled to be published in accordance with the Manual.

Index Creation Notice means a notice given as an "Index Creation Notice" pursuant to a Facility Agreement.

Index Disruption Day means, in respect of any class, an Index Business Day on and in respect of which the Closing Level of the Currency Index applicable to such class is not published or caused to be published by the Index Provider or any day in respect of which either MSIP or the Issuer validly gives notice to the other party under the MSIP ISDA Master Agreement of an "Additional Disruption" which is not also a "Hedging Disruption/Change in law" (as such terms are defined in that ISDA Master Agreement).

Index Event means, in relation to any class of Collateralised Currency Securities, the occurrence of any of the events defined as "adjustment events" or "market disruption events" in the Manual in relation to the Currency Index applicable to such class.

Index Pricing means the method prescribed under Conditions 6.8 to 6.13 by which an Authorised Participant may request a Redemption of any Collateralised Currency Security by submission of a notice to the Issuer.

Index Provider means in respect of any class, any person who calculates and publishes (or causes to be published) the Currency Index to which that class relates.

Index Redemption Form means a notice in the form prescribed from time to time by the Issuer for requesting Redemption of Collateralised Currency Securities using Index Pricing.

Investment Advisor means a person authorised by the FSA with permission under Part IV of FSMA to give investment advice.

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

ISDA Master Agreements means the agreements of that name between the Issuer and different Currency Transaction Counterparties governing Currency Transactions including the MSIP ISDA Master Agreement.

Issuer means ETFS Foreign Exchange Limited, a company incorporated and registered in Jersey with registered number 103518.

Issuer Insolvency Event means the Issuer (1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) has a declaration made against it declaring the assets of the Issuer *en désastre* pursuant to the Bankruptcy (Désastre) (Jersey) Law 1990, as amended; (5) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organisation or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in limb (A) above and either (I) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (II) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof; (6) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (7) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (8) has a secured party take possession of all or substantially all its assets or has a distress,

execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 15 days thereafter; (9) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (8) above (inclusive); or (10) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts **Provided that** no action taken by the Trustee in respect of a Counterparty Collateral Pool shall constitute an Issuer Insolvency Event save where such action falls within one or more of clauses (1) to (9) and is taken (x) with respect to all Counterparty Collateral Pools in existence at such time and (y) with the intention of distributing the entire proceeds of the liquidation of such Counterparty Collateral Pools.

Issuer's Website means the website having the following internet address: <http://www.etfsecurities.com/fxl> or such other internet address as may be notified by RIS announcement.

Jersey means the Island of Jersey, Channel Islands.

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

LIBOR means, in respect of any date of determination:

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

Listing means in respect of any class of Collateralised Currency Securities, the admission of such class to the Official List in accordance with the Listing Rules and the admission to trading of such class on the London Stock Exchange's regulated market (or any such regulated market if the London Stock Exchange has at any time more than one such market) becoming effective.

Listing Failure means the refusal of the UK Listing Authority to admit to the Official List any Collateralised Currency Securities issued or to be issued under the Programme.

Listing Failure Date means, in respect of any Collateralised Currency Security the subject of a Listing Failure, the day which was or would have been the first date on which payment would have been due in respect of the corresponding Currency Transaction pursuant to the terms of the Relevant ISDA Master Agreement.

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

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

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

Management Fee means, in respect of any class of Collateralised Currency Securities, the management fee rate per annum payable by the Issuer to ETFSL as set out in the Services Agreement (as the same may be amended from time to time).

Manual means in respect of a class of Collateralised Currency Securities, the document which sets out the methodology for the calculation of the Currency Index applicable to that class as specified as such in the Trust Instrument.

Maximum Closing Limit means, in respect of a class of Currency Transactions, a maximum limit on the amount or volume by which a Currency Transaction of such class may be Closed in accordance with a Facility Agreement governing any such Closing as agreed between the parties to such Facility Agreement from time to time.

Minimum Closing Limit means, in respect of a class of Currency Transactions, a minimum limit on the amount or volume by which a Currency Transaction of such class may be Closed in accordance with a Facility Agreement governing any such Closing as agreed between the parties to such Facility Agreement from time to time.

month means calendar month.

MSIP means Morgan Stanley & Co. International plc.

MSIP ISDA Master Agreement means the 2002 ISDA Master Agreement and master confirmation agreement between the Issuer and MSIP dated 5 November 2009 together with each transaction's confirmation supplement thereto.

New Class has the meaning given to it in Condition 15.5.

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

Notice Deadline means, on a Pricing Day, the earlier of 2.00 p.m. (London time) or such other time determined by the Issuer as the Notice Deadline in respect of a particular Pricing Day or generally.

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

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

- (a) Collateralised Currency Securities which have been redeemed and cancelled pursuant to the Trust Instrument; and
- (b) Collateralised Currency Securities which have been purchased and cancelled pursuant to the Trust Instrument.

PROVIDED THAT for the purpose of the right to attend and vote at any meeting of the Security Holders or any of them and certain other purposes of the Trust Instrument, Collateralised Currency Securities (if any) which are for the time being held by, for the benefit of, or on behalf of, (A) the Issuer, (B) a Currency Transaction Counterparty which is not also an Authorised Participant or a Guarantor or an Affiliate of an Authorised Participant or Guarantor, (C) ETFSL, (D) any subsidiary of the Issuer or of any such Currency Transaction Counterparty falling under (B), (E) any individual Controller of the Issuer, ETFSL or Guarantor or (F) any person controlled

by any such persons listed in (A) to (E) above shall (unless and until ceasing to be so held) be deemed not to remain outstanding and accordingly the holders of such Collateralised Currency Securities shall be deemed not to be Security Holders.

Potential Event of Default means, in respect of an ISDA Master Agreement, a "Potential Event of Default" as defined in that ISDA Master Agreement and in relation to a Global Master Repurchase Agreement, an event which with the giving of notice and/or the lapse of time would constitute an Event of Default for the purposes of that Global Master Repurchase Agreement.

Price in respect of any class of Collateralised Currency Securities on any Pricing Day has the meaning given to P_{it} in the formula in Condition 5.2 and shall be determined in accordance with such formula and **Pricing** (other than when used in the terms Pricing Date and Pricing Day) shall be construed accordingly.

Pricing Date means:

- (a) in the case of an Agreed Redemption Form which is valid in accordance with Condition 6.17, the day upon which such notice is received or deemed to have been received by the Issuer; or
- (b) in the case of an Index Redemption Form which is valid in accordance with Condition 6.8, the Pricing Day upon which such notice is received or deemed to have been received by the Issuer.

Pricing Day means, in respect of a Currency Transaction of any class, a London Business Day which is an Index Business Day for that class and which is not a Index Disruption Day for that class.

Pricing Notice means a Redemption Form (and any other notice contemplated by these Conditions which the Issuer shall notify by RIS announcement as being a Pricing Notice from time to time).

Principal Amount means in respect of each Collateralised Currency Security the amount specified in clause 2 of the Trust Instrument.

Priority Schedule means the provisions of Condition 13.4.

Programme means the programme for the issue by the Issuer of Collateralised Currency Securities.

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

Prohibited US Person means a US Person who is not both a Qualified Purchaser and a Qualified Institutional Buyer, or any person who holds Currency Securities for the benefit of a US Person who is not both a Qualified Purchaser and a Qualified Institutional Buyer.

Qualified Institutional Buyer has the meaning given thereto by Rule 144A under the United States Securities Act of 1933, as amended.

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

Redemption means the redemption of Collateralised Currency Securities by the Issuer in accordance with these Conditions (and **Redeem** shall be construed accordingly).

Redemption Account means in respect of Collateralised Currency Securities, a bank account to receive payments in the Relevant Currency of the Redemption Amount in respect of the Redemption of such Collateralised Currency 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, each Currency Transaction Counterparty and the Trustee from time to time;
- (b) for a Compulsory Redemption of Collateralised Currency Securities or where there are no Authorised Participants, the bank account of the Issuer secured for the benefit of the Security Holders of such Collateralised Currency Securities or of the Trustee for the benefit of such Security Holders; and
- (c) otherwise, the bank account specified in the Redemption Form in accordance with the terms of any relevant RIS announcement made by the Issuer pursuant to or in connection with Condition 6.3.

Redemption Amount means the amount per Collateralised Currency Security of the relevant class payable by the Issuer to the Security Holder upon the Redemption of Collateralised Currency Securities, as provided in Condition 6.1, 7.9 or 7.10, as the case may be, as may be reduced for any withholdings or deductions for or on account of tax as set out in Condition 8.5.

Redemption Day means a Repo Day which is not a Collateral Administrator Suspension Day.

Redemption Fee means the fee payable by a Security Holder upon Redemption of Collateralised Currency Securities in accordance with Condition 9.

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

Redemption Limits has the meaning given to it in Condition 6.6.

Redemption Liquidity Facility means any overnight overdraft or overnight loan facility provided to the Issuer by a Collateral Administrator or other financial institution solely for the purpose of settling Redemption Amounts.

Redemption Payment Date means:

- (a) in the case of a Redemption pursuant to an Index Redemption Form, the second Redemption Day following the Pricing Date of that Redemption (T) or, if later, the third London Business Day following T and if such London Business Day is not a Redemption Day, the Redemption Day next following such London Business Day; or
- (b) in the case of a Redemption pursuant to an Agreed Redemption Form, the London Business Day specified for such payment in that notice (provided that, unless otherwise agreed by the Issuer, the date so specified shall be not earlier than two Redemption Days following the day upon which notice is received or deemed to have been received by the Issuer) (T) and if T is not a Redemption Day, the Redemption Day next following such London Business Day; or
- (c) in the case of a Redemption in accordance with a Listing Failure, the second Redemption Day following the Listing Failure Date of that Redemption (T) or, if later, the third London Business Day following T and if such London Business Day is not a Redemption Day, the Redemption Day next following such London Business Day; or
- (d) except as provided for in Condition 7.11, in the case of a Redemption following the nomination of a Compulsory Redemption Date, the second Redemption Day following the last Pricing Day on which the Price of Collateralised Currency Securities being Redeemed was determined in accordance with these Conditions (T) or, if later, the third London Business Day following T and if such London Business Day is not a Redemption Day, the Redemption Day next following such London Business Day; or

- (e) in the case of a Redemption as provided in Condition 7.11, the second Redemption Day following the Compulsory Redemption Date (T) or, if later, the third London Business Day following T.

Registers means the registers of Security Holders of each class kept and maintained by the Registrar and **Register** shall be construed accordingly. At the date of the Trust Instrument there are 74 Registers, one for each of the 74 different classes of Collateralised Currency Securities currently envisaged to be created pursuant to the Trust Instrument.

Registrar means Computershare Investor Services (Jersey) Limited or such other person as may be appointed by the Issuer from time to time to maintain the Registers, to receive and process applications for Collateralised Currency Securities and to receive and process applications for Redemptions of Collateralised Currency Securities.

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

Relevant Affected Class means in respect of a Currency Transaction Counterparty on any day when either a Counterparty Event of Default or a CTC Enforcement Event has occurred and is continuing in respect of such Currency Transaction Counterparty:

- (a) if such day falls on or after an Early Termination Date under the ISDA Master Agreement between the Issuer and such Currency Transaction Counterparty, each class of Collateralised Currency Securities which corresponds to a class of Corresponding Currency Transaction existing under such ISDA Master Agreement immediately before such Early Termination Date; and
- (b) if such day falls before an Early Termination Date under the ISDA Master Agreement between the Issuer and such Currency Transaction Counterparty, each class of Collateralised Currency Securities which corresponds to a class of Corresponding Currency Transaction existing under such ISDA Master Agreement on such day.

Relevant Authorised Participant Agreement means in relation to a Currency Transaction Counterparty, an Authorised Participant Agreement relating to Collateralised Currency Securities in respect of which such Currency Transaction Counterparty can enter into Corresponding Currency Transactions.

Relevant Business Day means:

- (a) in respect of payments to be made in Euros, Euro Collateralised Currency Securities, Euro Currency Transactions and any Euro Repo, any day on which TARGET 2 is open for the settlement of payments in Euros; and
- (b) in respect of payments to be made in USD, USD Collateralised Currency Securities, USD Currency Transactions and any USD Repo, a New York Business Day.

Relevant Currency means, in relation to any Collateralised Currency Security, the currency of denomination of that Collateralised Currency Security.

Relevant Currency Transaction Counterparty means, in relation to a Security Deed, the Currency Transaction Counterparty that has the benefit of the security granted by the Issuer pursuant to that Security Deed.

Relevant Exposed Class means in respect of any Defaulted Obligation on any day in relation to a class of Collateralised Currency Securities:

- (a) such class;
- (b) for each Corresponding Currency Transaction Counterparty in respect of such class, each class of Collateralised Currency Securities which corresponds to a class of Currency Transaction existing under the ISDA Master Agreement with such Corresponding Currency Transaction Counterparty on such day; and

- (c) for each Corresponding Currency Transaction Counterparty in respect of any other class identified under this definition (whether under limb (b) or this limb (c)), each class of Collateralised Currency Securities which corresponds to a class of Currency Transaction open under the ISDA Master Agreement with such Corresponding Currency Transaction Counterparty on such day.

Relevant Facility Agreement means, in respect of a Collateralised Currency Security of any class, a Facility Agreement between the Issuer and a Currency Transaction Counterparty in respect of Currency Transactions that are Corresponding Currency Transactions in respect of such class.

Relevant Global Master Repurchase Agreement means, in respect of a Collateralised Currency Security of any class, a Global Master Repurchase Agreement between the Issuer and a Corresponding Currency Transaction Counterparty in respect of such class.

Relevant ISDA Master Agreement means, in respect of a Collateralised Currency Security of any class, an ISDA Master Agreement between the Issuer and a Corresponding Currency Transaction Counterparty in respect of such class.

Relevant Issuer Account means, with regard to a Currency Transaction Counterparty, an account or accounts of the Issuer which the Issuer has established and maintains with the Collateral Administrator for the purposes of (among other things) settling Repos and Currency Transactions with that Currency Transaction Counterparty and:

- (a) where the Issuer has established and maintains one or more Custody Accounts for such purpose, those Custody Accounts;
- (b) where the Issuer has established and maintains one or more Custody Accounts and a Cash Account for such purpose:
- (i) the Custody Accounts in respect of delivery and transfer of securities and assets other than cash; and
- (ii) the Cash Account in respect of payment and receipt of cash.

Relevant Securities means, in relation to a Security Deed, each class of Collateralised Currency Securities in respect of which the Relevant Currency Transaction Counterparty is a Currency Transaction Counterparty.

Repo means Euro Repo or USD Repo.

Repo Day means, in relation to a Redemption of Collateralised Currency Securities of any class, a Relevant Business Day which is a London Business Day.

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

Secured Liabilities means, in respect of any Security Deed, all sums and liabilities (present or future, actual or contingent) due, owing or incurred by the Issuer to:

- (a) the Relevant Currency Transaction Counterparty under the Relevant Facility Agreement, Relevant ISDA Master Agreement and any Relevant Global Master Repurchase Agreement;
- (b) the holders of Relevant Securities under the Relevant Securities;
- (c) ETFSL under the Services Agreement;
- (d) the Trustee under the Trust Instrument (other than any Redemption Amounts owed to the Trustee under the Trust Instrument in respect of the Collateralised Currency Securities to which such Counterparty Collateral Pool is relevant); and
- (e) the Security Trustee under the Security Deed.

Secured Parties means, in respect of any Security Deed, the Security Trustee, the Trustee, the Relevant Currency Transaction Counterparty, the holders of Relevant Securities and ETFSL.

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

Security Deed means, for any class of Collateralised Currency Security, each security deed over a Counterparty Collateral Pool relevant to such class, entered into between the Issuer and the Security Trustee (and, as at the Effective Date of the MSIP Facility Agreement, the Security Deed is the security deed in respect of the Counterparty Collateral Pool relating to MSIP dated 5 November 2009 entered into between the Issuer and the Security Trustee).

Security Holder means a registered holder of Collateralised Currency Securities from time to time.

Security Trustee means each security trustee appointed pursuant to a Security Deed to hold the security granted by the Issuer under such Security Deed (and as at the Effective Date of the MSIP Facility Agreement, the Security Trustee is The Law Debenture Trust Corporation p.l.c.)

Services Agreement means the agreement between the Issuer and ETFSL dated 5 November 2009 in respect of provision of services by ETFSL to the Issuer in connection with the Programme or any replacement agreement, which the Issuer may agree from time to time, in respect of the provision of such services with any of its Affiliates.

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

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

Spread, in relation to any Currency Transaction, has the meaning given to it in the Daily Adjustment Agreement relating to the Facility Agreement governing such Currency Transaction as agreed from time to time between the Issuer and the relevant Currency Transaction Counterparty.

TARGET2 means Trans-European Automated Real-time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007.

Taxes means all present and future income and other taxes, levies, duties, imposts, assessments and charges imposed by any jurisdiction (which expression shall include any supra-national federation or other similar organisation) and any withholdings or deductions in the nature of taxes, levies, duties, imposts, assessments and charges, together with interest imposed thereon and penalties and fines with respect thereto, if any, and any payments made on or in respect thereof.

Termination Event means in respect of an ISDA Master Agreement, a "Termination Event" as defined in that ISDA Master Agreement.

Trustee means The Law Debenture Trust Corporation p.l.c. and any replacement trustee under the Trust Instrument.

Trustee Consent Documents means each ISDA Master Agreement, Global Master Repurchase Agreement, each Eligible Collateral Agreement, each Facility Agreement (but excluding the schedules to any Facility Agreement, save schedules 2 and 3), Currency Transactions and Repos created thereunder and any Guarantee.

Trust Instrument means the trust instrument dated 5 November 2009, between the Issuer and the Trustee constituting Collateralised Currency Securities, including the schedules thereto.

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

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

Unacceptable Authorised Participant means, in relation to any Currency Transaction Counterparty, an Authorised Participant in respect of which that Currency Transaction

Counterparty has given and not withdrawn notice under the relevant Facility Agreement that the Authorised Participant has ceased to be acceptable to such Currency Transaction Counterparty.

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

Uncertificated Notice of Meeting means an authenticated computer instruction, and/or other instruction or notification, which is sent by means of CREST.

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

USD Collateralised Currency Security means a Collateralised Currency Security denominated in US Dollars.

USD Currency Transaction means a Currency Transaction under which the payment obligations of the parties to that transaction are denominated in US Dollars (other than payment obligations arising in respect of any "Early Termination Amount" under an ISDA Master Agreement).

USD Repo means a repurchase transaction subject to and governed by a Global Master Repurchase Agreement under which the payment obligations of the parties to such transaction are denominated in US Dollars (other than in the case of any sum payable pursuant to paragraph 10(c) of such Global Master Repurchase Agreement).

US Person means a "US person" as defined in Regulation S under the Securities Act.

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

VAT means value added tax.

Volume in relation to any Currency Transaction has the meaning given to it in the Facility Agreement relevant to such Currency Transaction.

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

2 STATUS OF COLLATERALISED CURRENCY SECURITIES

Collateralised Currency Securities constitute undated limited recourse secured debt obligations of the Issuer secured as set out in Condition 3. The Collateralised Currency Securities of each class rank pari passu among themselves.

3 SECURITY AND LIMITED RECOURSE

3.1 Under each Security Deed, entered into in respect of each Counterparty Collateral Pool, the obligations of the Issuer in respect of the Secured Liabilities under that Security Deed are secured by:

- (a) charges over the Counterparty Collateral Pool relevant to such class; and
- (b) an assignment by way of security of the Issuer's rights in each Assigned Agreement forming part of such Counterparty Collateral Pool,

in favour of the Security Trustee for and on behalf of the Secured Parties. On any distribution by the Security Trustee of the proceeds of a Counterparty Collateral Pool, the claims of the holders of Relevant Securities rank behind the claims of the Trustee, the Security Trustee and the Relevant Currency Transaction Counterparty as provided in the Priority Schedule. Collateralised Currency Securities of the same class are secured by reference to the same Class Collateral Pool.

3.2 The Trustee (on behalf of the Security Holders of Collateralised Currency Securities of any class) and the Security Holders of Collateralised Currency Securities in any such class shall have recourse only to sums derived from the Class Collateral Pool for that class. If, the Security Trustee (or any other secured party) having realised the same, the net proceeds of such Class Collateral Pool are insufficient to satisfy all payments under the Collateralised Currency Securities of such class which, but for the effect of this Condition, would then be due from the Issuer to the holders of Collateralised Currency Securities of such class, the obligations of the Issuer in respect of such class of Collateralised Currency Securities will be limited to such net proceeds of realisation, and neither the Trustee, the Security Trustee, any Security Holder of that class nor any person acting on its behalf shall be entitled to take any further steps against the Issuer to recover any further sums in respect of such class and no debt shall be owed by the Issuer to any such person in respect of any such further sum in respect of such Collateralised Currency Securities and the indebtedness of the Issuer in respect of any such further sum shall be unconditionally extinguished. Further, neither the Trustee, the Security Trustee nor any Security Holder of any such Collateralised Currency Security shall be entitled to institute, nor join with any other person in bringing, instituting or joining, any bankruptcy, suspension of payments, moratorium of any indebtedness, winding-up, re-organisation, arrangement, insolvency or liquidation proceeding or other proceeding under any similar law (whether court based or otherwise) in respect of claims under such Collateralised Currency Security in relation to the Issuer (except for the appointment of a receiver and manager pursuant to a Security Deed) for two years (or, if later, the longest suspense period, preference period or similar period, howsoever described, ending with the onset of insolvency in respect of which transactions entered into by the Issuer within such period may be subject to challenge under applicable insolvency or other proceeding) plus one day after the date on which all amounts payable under the last outstanding security of any class issued by the Issuer and constituted by the Trust Instrument are repaid, nor shall they have any claim in respect of any other assets of the Issuer.

3.3 The obligations of the Issuer under, and in connection with these Conditions are solely corporate obligations of the Issuer. Neither the Trustee, the Security Trustee nor any Security Holder shall have any recourse against any shareholder, director, officer or agent of the Issuer for any claim, loss, liability or expense suffered or incurred by it under, or in connection with, these Conditions other than as permitted at law.

4 FORM AND TRANSFER

4.1 Collateralised Currency Securities are in registered form and are individually transferable.

4.2 Collateralised Currency Securities may be held and transferred in Uncertificated Form by means of CREST in accordance with the Regulations. The Trustee may, without the consent of Security Holders, concur with the Issuer in making modifications to the provisions of the Trust Instrument in order to reflect changes in the Regulations or in the applicable law and practice relating to the holding or transfer of Collateralised Currency Securities in Uncertificated Form. A Security Holder may request that his Collateralised Currency Securities be held in Certificated Form, in which case such Collateralised Currency Securities shall be removed from CREST.

- 4.3 The Issuer shall at all times keep at its registered office, or at such other place in Jersey as the Trustee may agree, registers showing the date of issue and all subsequent transfers and changes of ownership of all outstanding Collateralised Currency Securities and the names and addresses of the Security Holders and the persons deriving title under them. The Trustee and the Security Holders or any of them and any person authorised by any such person shall be at liberty at all reasonable times during office hours to inspect the Registers and to take (free of charge) copies of, or extracts from, the same or any part thereof. In the event of the Trustee requiring to convene a meeting of or to give any notice to, the Security Holders the Issuer shall furnish the Trustee (free of charge) with such copies of, or extracts from, the Registers as it shall require. The Registers may be closed by the Issuer for such periods and at such times (not exceeding in the whole 30 days in any one year) as it may think fit.

5 PRICE OF COLLATERALISED CURRENCY SECURITIES

- 5.1 The Price for the first Collateralised Currency Security of a particular class to be issued shall be calculated in accordance with Condition 5.2 on the basis that in respect of (i) USD Collateralised Currency Securities of any class, $P_{i,t-1}$ shall be deemed to be US\$50 and $DA_{i,t}$ shall be deemed to be zero and (ii) Euro Collateralised Currency Securities of any class, $P_{i,t-1}$ shall be deemed to be Euro 50 and $DA_{i,t}$ shall be deemed to be zero and such Price shall be treated as being the Price for such class on the Pricing Day which is, where such Collateralised Currency Security is issued following:

- (a) an Index Creation Notice, the day on which such Index Creation Notice is received or (if later) deemed to be received by a Currency Transaction Counterparty under the Facility Agreement with such Currency Transaction Counterparty; or
- (b) an Agreed Creation Notice, the day on which such Agreed Creation Notice is received or (if later) deemed to be received by the Issuer under the Facility Agreement with the Corresponding Currency Transaction Counterparty,

(the **First Pricing Day**). After the First Pricing Day for a Collateralised Currency Security of any class, the Price for Collateralised Currency Securities of such class shall be calculated on each later Pricing Day in accordance with Condition 5.2.

- 5.2 The Price of a Collateralised Currency Security of any particular class on any Pricing Day (other than on the First Pricing Day for such class) will be an amount in the Relevant Currency calculated using the following formula (calculated to 7 decimal places with 0.0000005 rounded upwards):

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

where:

- i refers to the class of such Collateralised Currency Security;
- t refers to such Pricing Day;
- $t-1$ refers to the Pricing Day next before Pricing Day t ;
- $P_{i,t}$ is the Price of a Collateralised Currency Security of class i on Pricing Day t ;
- $P_{i,t-1}$ is the Price of a Collateralised Currency Security of class i on Pricing Day $t-1$;
- $I_{i,t}$ is the Closing Level of the Currency Index applicable to a Collateralised Currency Security of class i in respect of Pricing Day t ;
- $I_{i,t-1}$ is the Closing Level of the Currency Index applicable to a Collateralised Currency Security of class i in respect of Pricing Day $t-1$;

$DA_{i,t}$ is the daily adjustment in respect of a Collateralised Currency Security of class i on Pricing Day t , calculated in accordance with the following formula:

$$DA_{i,t} = \left(\frac{MF_{i,t}}{D} + DS_{i,t} \right) \times N_t$$

where:

$MF_{i,t}$ is the Management Fee (expressed as a percentage) in respect of Collateralised Currency Securities of class i on calendar day t ;

$DS_{i,t}$ is the Daily Spread in respect of Collateralised Currency Securities of class i on Pricing Day t ;

D refers to the number of days in the calendar year in which calendar day t falls;

N_t refers to the number of calendar days from and including the Pricing Day immediately preceding Pricing Day t to but excluding Pricing Day t .

6 REDEMPTION OF COLLATERALISED CURRENCY SECURITIES BY SECURITY HOLDERS

Redemption Entitlement

- 6.1 Subject to Condition 7, each Collateralised Currency Security of any class carries the right on Redemption to payment of, the higher of (i) the Principal Amount for that class, and (ii) the Price of that Collateralised Currency Security on the applicable Pricing Day determined in accordance with Condition 5.

Redemption by Authorised Participants

- 6.2 A Security Holder which is also an Authorised Participant may (subject as provided herein) on a Pricing Day require the Issuer to Redeem all or part of its holding of Collateralised Currency Securities by lodging with the Issuer a valid Redemption Form specifying either Index Pricing or Agreed Pricing.

Redemption by Other Security Holders

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

Redemption Amount

- 6.4 The Redemption Amount with respect to a Redemption of Collateralised Currency Securities of any class shall be the amount in the Relevant Currency equal to the sum of the amounts determined in accordance with Condition 6.1 in respect of all such Collateralised Currency Securities thereby Redeemed.

- 6.5 The Issuer shall on the Redemption Payment Date in respect of any Redemption of Collateralised Currency Securities required by a Security Holder in accordance with these Conditions pay (or procure the payment of) the Redemption Amount in respect of that Redemption into the Redemption Account in respect of such Security Holder provided that:
- (a) if five consecutive days which would have been a Redemption Payment Date are not a Redemption Payment Date on account of there having occurred one or more Collateral Administrator Suspension Days on or after T, then the relevant Redemption Payment Date shall be deemed to occur on the sixth such day (a **Deemed Redemption Payment Date**); and
 - (b) (without prejudice to any other rights of set-off which the Issuer may have in relation to any such Security Holder) if at any time a Redemption Amount is due to be paid by the Issuer in respect of a Redemption to a particular Authorised Participant, the amount payable may be discharged in whole or in part by set-off pursuant to any set-off provisions contained in the Authorised Participant Agreement.

Redemption Limits

- 6.6 No Collateralised Currency Security of any class may be Redeemed on a day pursuant to an Index Redemption Form:
- (a) submitted by any Security Holder (including any Authorised Participant), to the extent that the Closing of any Corresponding Currency Transaction corresponding to the Redemption of such Collateralised Currency Security would (together with the Closing of all other Currency Transactions corresponding to the Redemption of Collateralised Currency Securities of such class on that day):
 - (i) exceed the sum of all the Maximum Closing Limits for such class applicable to such Closing on that day (such sum being the **Redemption Limit** for that class of Collateralised Currency Securities); or
 - (ii) fail to satisfy any Minimum Closing Limit agreed with a Currency Transaction Counterparty with whom the Issuer may effect such Closing unless such Currency Transaction Counterparty agrees to effect such Closing; or
 - (b) submitted by any Authorised Participant, to the extent that the Closing of any Currency Transaction corresponding to the Redemption of such Collateralised Currency Security would (together with the Closing of all other Currency Transactions corresponding to the Redemption of Collateralised Currency Securities of such class on that day):
 - (i) exceed the sum of the Maximum Closing Limits for such class agreed by the Issuer with each Currency Transaction Counterparty for which that Authorised Participant is an Authorised Participant applicable to such Closing on that day (such limit being the **Authorised Participant Redemption Limit** for that class of Collateralised Currency Securities and that Authorised Participant); or
 - (ii) fail to satisfy any Minimum Closing Limit with any such Currency Transaction Counterparty with whom the Issuer may effect such Closing unless such Currency Transaction Counterparty agrees nevertheless to effect such Closing.
- 6.7 For the purposes of the Redemption Limits, Redemption Forms will be dealt with in order of their actual receipt by the Issuer and within any Redemption Form requests to Redeem Collateralised Currency Securities shall be dealt with in the order in which such Collateralised Currency Securities are listed on that Redemption Form and, for the purpose of this Condition, Condition 6.11 shall be disregarded.

Index Pricing

- 6.8 An Index Redemption Form shall be invalid:
- (a) if it does not specify the number and class of any Collateralised Currency Securities to be Redeemed;

- (b) for an Index Redemption Form lodged by an Authorised Participant, if it is received by the Issuer at any time other than between 8.00 a.m. and the Notice Deadline on any Pricing Day unless the Issuer agrees to treat such Index Redemption Form as being received at 8.00 a.m. on the next following Pricing Day pursuant to Condition 6.11;
- (c) to the extent it does not specify the Redemption Account into which the Redemption Amount shall be payable in respect of any Collateralised Currency Security to be Redeemed;
- (d) to the extent that the number of Collateralised Currency Securities of any class or in aggregate to be Redeemed would result in:
 - (i) a Redemption Limit being exceeded, where the relevant Currency Transaction Counterparty does not (or Currency Transaction Counterparties do not) agree to that Redemption Limit being exceeded (in which event such Index Redemption Form will not be capable of being invalidated under this Condition 6.8(d) in respect of the greatest number of Collateralised Currency Securities of the relevant class or classes that would not result in the Redemption Limit being exceeded); or
 - (ii) the Issuer being unable to satisfy a Minimum Closing Limit in respect of such class on such day agreed with any Corresponding Currency Transaction Counterparty with whom the Issuer needs to effect such Closing unless such Currency Transaction Counterparty agrees to effect such Closing;
- (e) to the extent, if the Index Redemption Form is submitted by an Authorised Participant, that the number of Collateralised Currency Securities of any class or in aggregate to be Redeemed would result in:
 - (i) an Authorised Participant Redemption Limit being exceeded (in which event such Index Redemption Form shall not be capable of being invalidated under this Condition 6.8(e) in respect of the greatest number of Collateralised Currency Securities of the relevant class that would not result in the Authorised Participant Redemption Limit being exceeded); or
 - (ii) the Issuer being unable to satisfy a Minimum Closing Limit in respect of such class with any Corresponding Currency Transaction Counterparty in respect of which the Authorised Participant is appointed as Authorised Participant for such class with whom the Issuer needs to effect such Closing unless such Currency Transaction Counterparty agrees nevertheless to effect such Closing;
- (f) to the extent it relates to a class of Collateralised Currency Securities and unless otherwise notified by RIS announcement, where notice of a Compulsory Redemption Date in respect of Collateralised Currency Securities of such class has been given (or has been deemed to occur) in accordance with 7.1, 7.2, 7.3 or 7.4 (or an intention to notify a Compulsory Redemption Date has been given under Clause 7.3), if the Index Redemption Form is received or deemed received on or after the date of such notice;
- (g) to the extent that, on the day it is received (or deemed received by the Issuer) any of the following events has occurred and is continuing:
 - (i) an event in respect of either the Issuer or a Currency Transaction Counterparty (the **Affected Party**) which is an Event of Default or Potential Event of Default under an ISDA Master Agreement or a Global Master Repurchase Agreement with such Currency Transaction Counterparty (or, in relation to any Corresponding Currency Transaction an event which is, or with the giving of notice or the lapse of time or both, would become a Termination Event in relation to such Corresponding Currency Transaction under that ISDA Master Agreement);
 - (ii) such day being a Collateral Administrator Suspension Day in respect of each Currency Transaction Counterparty with whom the Issuer would need to enter into a Corresponding Currency Transaction in respect of any Collateralised Currency Security the subject of such Index Redemption Form; or

- (iii) an Index Event in relation to a Currency Index relevant to any class of Collateralised Currency Securities the subject of such Index Redemption Form, and

as a result the Issuer is unable to effect a Closing of any Corresponding Currency Transaction in respect of any class of Collateralised Currency Securities the subject of such Index Redemption Form;

- (h) to the extent that it relates to the Redemption of Collateralised Currency Securities that are the subject of a Listing Failure;
- (i) to the extent that it is invalid pursuant to Condition 6.18; or
- (j) unless the Issuer otherwise agrees in its absolute discretion, if such Index Redemption Form is lodged by an Authorised Participant on any day and another Index Redemption Form has been lodged (not including an Index Redemption Form deemed lodged) by that Authorised Participant on or in respect of such day,

and no Collateralised Currency Securities shall be Redeemed in respect of or under that Index Redemption Form to the extent that such Redemption Form is invalid.

6.9 If the Issuer considers that a purported Index Redemption Form submitted by a Security Holder is invalid in whole or in part, it shall notify the Security Holder of that fact as soon as reasonably possible. The Issuer shall not be obliged to Redeem pursuant to an Index Redemption Form any Collateralised Currency Securities where the relevant Currency Transaction Counterparty has not confirmed the Closing of a corresponding Currency Transaction in accordance with the provisions of the relevant Facility Agreement.

6.10 If an Index Redemption Form in relation to a class of Collateralised Currency Securities is deemed received by the Issuer (pursuant to Condition 6.11) on a London Business Day (**Day 1**) which is an Index Disruption Day for such Collateralised Currency Securities:

- (a) the Security Holder may by written notice to the Issuer, sent before the Notice Deadline on the next succeeding Pricing Day, cancel the Index Redemption Form, and where such notice is given no Collateralised Currency Securities shall be Redeemed in respect of or under that Index Redemption Form; and
- (b) if no notice is issued under Condition 6.10(a) then the Index Redemption Form will be deemed received by the Issuer on the Pricing Day next following Day 1 (and no redemption of such Collateralised Currency Securities for that Index Redemption Form shall occur before then) in priority to any Index Redemption Form received by the Issuer prior to the Notice Deadline on such next Pricing Day pursuant to Condition 6.11 and that next Pricing Day will then constitute Day 1 for the Index Redemption Form and this Condition 6.10 shall apply thereto accordingly.

6.11 Where an Index Redemption Form is received by the Issuer on a Pricing Day after the Notice Deadline the Issuer may (but shall not be obliged to) agree to treat that Index Redemption Form as being received at 8.00 a.m. on the next following Pricing Day.

6.12 Within one Business Day after the Pricing Date in respect of any Index Redemption Form, the Issuer shall notify the relevant Security Holder of the Redemption Amount payable in respect of that Index Redemption Form, determined as provided above.

6.13 The Issuer may change or vary the procedures for the lodgement of Index Redemption Forms on 5 days prior notice by RIS announcement and these Conditions shall be modified accordingly.

Agreed Pricing

6.14 A Currency Transaction Counterparty and an Authorised Participant may submit an Agreed Redemption Form to the Issuer (either jointly, or in separate notices). An Agreed Redemption Form is conclusive evidence that the Currency Transaction Counterparty and the Authorised Participant have agreed upon the Redemption by the Issuer of the number and class (or classes) of Collateralised Currency Securities specified in the notice(s).

6.15 If a Currency Transaction Counterparty and an Authorised Participant purport to send an Agreed Redemption Form by separate notices:

- (a) which are inconsistent with one another in relation to any of the items referred to in Condition 6.17(a) or 6.17(b); or
- (b) one of which is invalid under Condition 6.17,

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

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

6.17 An Agreed Redemption Form shall be invalid:

- (a) if it does not set out the number and class of any Collateralised Currency Securities to be Redeemed;
- (b) if it does not set out the Redemption Payment Date for the Redemption of such Collateralised Currency Securities, which shall be not earlier than one London Business Day following the day on which the Agreed Redemption Form is received or deemed received by the Issuer; and
- (c) to the extent that, on the date it is received or deemed to be received by the Issuer any of the following events has occurred and is continuing:
 - (i) an event in respect of either the Issuer or the relevant Currency Transaction Counterparty (the **Affected Party**) which is an Event of Default or Potential Event of Default under the ISDA Master Agreement with such Currency Transaction Counterparty (or, in relation to any Corresponding Currency Transaction an event which is, or with the giving of notice or the lapse of time or both, would become a Termination Event in relation to such Corresponding Currency Transaction under that ISDA Master Agreement);
 - (ii) such day being a Collateral Administrator Suspension Day in respect of each Currency Transaction Counterparty with whom the Issuer would need to enter into a Corresponding Currency Transaction in respect of any Collateralised Currency Security the subject of such Agreed Redemption Form: or
 - (iii) an Index Event in relation to a Currency Index relevant to any class of Collateralised Currency Securities the subject of such Agreed Redemption Form, and

as a result the Issuer is unable to effect a Closing of any Corresponding Currency Transaction with the relevant Currency Transaction Counterparty in respect of any class of Collateralised Currency Securities the subject of such Agreed Redemption Form.

Suspension of Redemptions

6.18 If:

- (a) the Price of a class of Collateralised Currency Security falls below its Principal Amount the Issuer may at any time and from time to time while the Price in relation to such class is below such Principal Amount suspend the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 6.1; or
- (b) there is a Counterparty Event of Default in respect of the Corresponding Currency Transaction Counterparty for any class of Collateralised Currency Securities, the Issuer may at any time and from time to time while such Counterparty Event of Default is continuing suspend the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 6.1,

and, in each case subject as provided in this Condition 6.18, may terminate either such suspension at any time. The following provisions shall apply where the Issuer determines to exercise its powers under this Condition:

- (i) the Issuer shall give notice of such suspension and of the termination of any such suspension via an RIS as soon as practicable, but failure to give such notices shall not prevent the exercise of such powers;
- (ii) any such suspension may continue in the discretion of the Issuer for a period of up to 30 Pricing Days, and may continue thereafter (save in the case of a suspension based on a Counterparty Event of Default) provided that notice of a meeting has been issued convening a meeting for a date not more than 30 Pricing Days after the date of the notice for the purpose of considering an Extraordinary Resolution which will have the effect of reducing the Principal Amount to a level less than the Price, in which event the suspension will cease when the meeting (or any adjournment thereof) concludes or, if the Extraordinary Resolution is passed and makes alternative provision, in accordance with the Extraordinary Resolution;
- (iii) any suspension shall not affect any Redemption the Pricing Date for which had passed before the suspension commenced, but any Index Redemption Form lodged or deemed to be received on a Pricing Day when the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 6.1 is suspended pursuant to this Condition shall be invalid;
- (iv) if the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 6.1 is suspended pursuant to this Condition as at 6.30 p.m. (London time) on the second Pricing Day prior to a Compulsory Redemption Date for that class pursuant to Condition 7.3, then notwithstanding that a number of Collateralised Currency Securities of that class may have been specified pursuant to that Condition which is not all of those Collateralised Currency Securities, such Compulsory Redemption Date shall be a Compulsory Redemption Date for all of the Collateralised Currency Securities of that class.

7 COMPULSORY REDEMPTION BY THE ISSUER OR TRUSTEE

Compulsory Redemption on Termination

7.1 The Issuer may at any time:

- (a) (upon not less than seven days' notice in the case of (i) below or not less than thirty days' notice in the case of (ii) below) by RIS announcement nominate a Pricing Day to be a Compulsory Redemption Date for all Collateralised Currency Securities, or all or some only of the Collateralised Currency Securities of any one or more classes, if:
 - (i) notice is given by a party to a Facility Agreement terminating that Facility Agreement or notifying a Compulsory Closing Date thereunder in respect of one or more Currency Transactions created thereunder; or
 - (ii) the Issuer elects to Redeem all Collateralised Currency Securities, or all or some only of the Collateralised Currency Securities of any one or more classes; or
- (b) by RIS announcement nominate a Pricing Day to be a Compulsory Redemption Date for a class of Collateralised Currency Securities, or all or some only of the Collateralised Currency Securities of such class, if:
 - (i) an Early Termination Date has been set in relation to a Corresponding Currency Transaction for such class under an ISDA Master Agreement (provided that such Compulsory Redemption Date shall be no earlier than such Early Termination Date); or
 - (ii) a final Daily Payment Amount has become due and payable in relation to a Corresponding Currency Transaction for such class under an ISDA Master

Agreement following the occurrence of one or more Collateral Administrator Suspension Days, or

- (c) (upon not less than five days' notice) by RIS announcement nominate any day to be a Compulsory Redemption Date for a class of Collateralised Currency Securities or all or some only of the Collateralised Currency Securities of such class, if the Issuer determines that a Hedging Disruption Event has occurred in respect of such class; and

where the Issuer elects to Redeem some only of the Collateralised Currency Securities of any class, the Issuer shall Redeem from each Security Holder, a number of Collateralised Currency Securities of such class held by such Security Holder calculated on a *pro rata* basis in proportion to the number of such Collateralised Currency Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number.

Compulsory Redemption on Default

7.2

7.2.1 If:

- (a) a Defaulted Obligation has occurred and is continuing in respect of Collateralised Currency Securities of any class (other than where an Issuer Insolvency Event or a Counterparty Event of Default in respect of a Corresponding Currency Transaction Counterparty for such class, has occurred and is continuing at such time); or
- (b) an Issuer Insolvency Event has occurred and is continuing; or
- (c) a Counterparty Event of Default has occurred and is continuing and as a result any Redemption Notice in respect of Collateralised Currency Securities of any class (the **affected class**) issued on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.8(g) or 6.17(c) or the Issuer has suspended Redemptions in relation to such affected class for a period of 30 Pricing Days,

the Trustee shall if so directed in writing by:

- (i) in the case of a Defaulted Obligation (as described in Condition 7.2.1(a)), Security Holders of the Relevant Exposed Classes holding not less than 10 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of such Relevant Exposed Classes as at such date;
- (ii) in the case of an Issuer Insolvency Event, Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of all the Collateralised Currency Securities of all classes then outstanding; or
- (iii) in the case of a Counterparty Event of Default, Security Holders of the Relevant Affected Classes holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of those Relevant Affected Classes as at such date,

subject to the Trustee having first been indemnified and/or secured and/or pre-funded to its satisfaction, give notice to the Issuer that:

- (aa) in the case of a Defaulted Obligation (as described in Condition 7.2.1(a)), all of the Relevant Exposed Classes of Collateralised Currency Securities outstanding,
- (bb) in the case of an Issuer Insolvency Event, all of the Collateralised Currency Securities outstanding;
- (cc) in the case of a Counterparty Event of Default, all of the Relevant Affected Classes of Collateralised Currency Securities outstanding,

are required to be Redeemed and nominating a Pricing Day falling not less than 20 Pricing Days (or two Pricing Days in the case of an Issuer Insolvency Event) from the giving of such notice to be a Compulsory Redemption Date.

7.2.2 If:

- (a) a CTC Enforcement Event has occurred and is continuing; and
- (b) the Relevant Currency Transaction Counterparty has instructed the Security Trustee in writing to enforce the security over the Counterparty Collateral Pool under the relevant Security Deed relating to such CTC Enforcement Event; and
- (c) the Security Trustee has notified the Trustee that it has received such notice and has been indemnified and/or secured and/or pre-funded to its satisfaction in accordance with the provisions of the relevant Security Deed (the date of such notice, the **Notification Date**),

a Compulsory Redemption Date shall automatically occur in respect of all Relevant Affected Classes of Collateralised Currency Securities outstanding on the Pricing Day falling 20 Pricing Days from the Notification Date.

7.2.3 If a Compulsory Redemption Date is set in respect of one or more classes of Collateralised Currency Securities following the occurrence of either:

- (a) a Counterparty Event of Default in accordance with Condition 7.2.1; or
- (b) a CTC Enforcement Event in accordance with Condition 7.2.2,

and the Issuer determines prior to such Compulsory Redemption Date to allocate the Counterparty Collateral Pool which relates to the Currency Transaction Counterparty subject to such Counterparty Event of Default or to the Relevant Currency Transaction Counterparty (as applicable) to a new class of Collateralised Currency Securities in accordance with Condition 15.5 (the New Securities) only the New Securities (and not the Existing Class) shall be Redeemed on such Compulsory Redemption Date pursuant to this Condition 7.2.

Compulsory Redemption due to Index Disruption

7.3 The Issuer may at any time by RIS announcement nominate any day to be a Compulsory Redemption Date or give notice of its intention to do so for all (or some only) of the Collateralised Currency Securities of any class if there is an Index Event in relation to such class or a Disruption Event in relation to a Corresponding Currency Transaction for such class or the Index Provider has given notice to the Issuer of its intent to discontinue calculation and notification of that Currency Index and where the Issuer elects to Redeem some only of the Collateralised Currency Securities of any class, the Issuer shall Redeem from each Security Holder, a number of Collateralised Currency Securities of such class held by such Security Holder calculated on a *pro rata* basis in proportion to the number of such Collateralised Currency Securities held by such Security Holder relative to those held by all other Security Holders and, where such calculation would not give rise to a whole number, rounded up to the nearest whole number.

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

7.4 If on any Pricing Day the Price of any class of Collateralised Currency Security falls to 5 times the Principal Amount of such Collateralised Currency Security or below, the Issuer may at any time, for so long as the Price continues to be less than 5 times the Principal Amount of such Collateralised Currency Security, upon not less than 2 days' notice by RIS announcement nominate a Pricing Day to be a Compulsory Redemption Date in respect of that class of Collateralised Currency Security and subject to Condition 3.2 investors will receive a sum on such Compulsory Redemption calculated in accordance with Condition 7.9. The right to nominate a Pricing Day to be a Compulsory Redemption Date pursuant to this Condition 7.4 shall cease if an Extraordinary Resolution is passed which has the effect of reducing the Principal Amount to a level less than one tenth of the Price, but this is without prejudice to any subsequent nomination pursuant to this Condition if on any Pricing Day the Price of that class of Collateralised Currency Security falls to 5 times the Principal Amount (as so reduced) of such Collateralised Currency Security or below.

Compulsory Redemption for cause

- 7.5 The Issuer may, in its absolute discretion, at any time by written notice to a Security Holder nominate a Pricing Day (being not less than seven Pricing Days and not more than fourteen Pricing Days following the date of the notice) to be a Compulsory Redemption Date in respect of Collateralised Currency Securities held by that Security Holder, if:
- (a) the Issuer requires the Security Holder in accordance with Condition 11 to certify whether or not it is a Prohibited Benefit Plan Investor and (i) the Security Holder does not, as determined by the Issuer in its absolute discretion, provide such certification, or (ii) the Security Holder certifies that it is a Prohibited Benefit Plan Investor; or
 - (b) the Issuer requires the Security Holder in accordance with Condition 11 to certify whether or not it is a Prohibited US Person and (i) the Security Holder does not, as determined by the Issuer in its absolute discretion, provide such certification, or (ii) the Security Holder certifies that it is a Prohibited US Person; or
 - (c) the Issuer considers (in its sole discretion) (a) that such Collateralised Currency Securities are or may be owned or held directly or beneficially by any person in breach of any law, regulation or requirement of any country or by virtue of which such person is not qualified to own those Collateralised Currency Securities, or (b) that the ownership or holding or continued ownership or holding of those Collateralised Currency Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Security Holders which it or they might not otherwise have suffered or incurred,

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

- 7.6 If a Security Holder which is the subject of a notice under Condition 7.5 provides to the Issuer prior to the Notice Deadline on the Compulsory Redemption Date proof required by the Issuer that its Collateralised Currency Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Collateralised Currency Securities referred to in that notice shall not be redeemed under these Conditions.
- 7.7 If a Security Holder which is the subject of a notice under Condition 7.5 does not provide to the Issuer prior to the Notice Deadline on the Compulsory Redemption Date proof required by the Issuer that its Collateralised Currency Securities have been transferred to a person that is not a Prohibited Benefit Plan Investor or a Prohibited US Person, then the Collateralised Currency Securities referred to in that notice shall not be capable of being transferred by that Security Holder and the Issuer shall not be required to register any purported transfer of those Collateralised Currency Securities.
- 7.8 The Issuer shall not be required to give any reasons for any decision, determination or declaration taken or made in accordance with Condition 7.5. The exercise of the powers conferred by Condition 7.5 shall not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of the Collateralised Currency Securities, or any other grounds save that such powers shall have been exercised in good faith.

Compulsory Redemptions

- 7.9 Subject to the provisions of Condition 7.11, where a Compulsory Redemption Date in respect of any class of Collateralised Currency Securities is notified or occurs in accordance with these Conditions other than pursuant to Condition 7.5, in respect thereof:

- (a) the Issuer shall, no later than 8.00 a.m. on the Compulsory Redemption Date, by RIS announcement publish the Compulsory Daily Amount in respect of such class for each successive Pricing Day commencing on the Compulsory Redemption Date;
- (b) the Issuer shall agree to Redeem as of the Compulsory Redemption Date and as of each succeeding Pricing Day (or in the case of a Compulsory Redemption Date notified pursuant to Condition 7.3 where the applicable Currency Index has not been published, as of each succeeding London Business Day), Collateralised Currency Securities of such class up to but not exceeding the applicable Compulsory Daily Amount for such Pricing Day and such class until Collateralised Currency Securities of that class in a number equal to the Compulsory Redemption Number for that class have been Redeemed;
- (c) subject to Condition 7.9(e) and Condition 3.2, on the Redemption Payment Date for such Compulsory Redemption the Issuer shall (subject to the Security Holder depositing the Collateralised Currency Securities in question into an appropriate CREST account or otherwise delivering such Collateralised Currency Securities to the Issuer by agreement with the Issuer) pay into the appropriate Redemption Account(s) the sum of the Compulsory Redemption Prices or, if higher in each case but not in aggregate, the Principal Amounts of all Collateralised Currency Securities thereby Redeemed;
- (d) subject to Condition 7.9(e) and Condition 3.2, each Redemption Account shall be credited with the relevant Security Holder's *pro-rata* share of the sum of the Compulsory Redemption Prices or, if higher in each case but not in aggregate, the Principal Amounts of all Collateralised Currency Securities thereby Redeemed (and the Issuer shall be under no obligation to make payment of the amount so priced until that amount shall have been determined);
- (e) the Issuer shall calculate as at the Compulsory Redemption Date in respect of each Collateralised Currency Security being Redeemed pursuant to this Condition 7.9, the amount which the holder of such Collateralised Currency Security would be entitled to pursuant to Condition 3.2 after the Security Trustee or secured party had realised the Class Collateral Pool for such class (the **Entitlement Amount**). To the extent that the Entitlement Amount is less than the amount payable by the Issuer to such Security Holder pursuant to Condition 7.9(c) and 7.9(d), the Issuer's obligation to make payment of such amount shall be satisfied by the payment of the Entitlement Amount and no further obligation shall arise and any indebtedness in respect of such amount, to the extent it exceeds the Entitlement Amount, shall be unconditionally extinguished;
- (f) upon payment in full of that amount all such Collateralised Currency Securities which were so Redeemed shall be cancelled.

7.10 Where a Compulsory Redemption Date in respect of Collateralised Currency Securities of any class is notified to a Security Holder in accordance with Condition 7.5:

- (a) the Redemption Amount with respect to such Redemption shall be the amount (in the Relevant Currency) equal to the product of the sum of the Compulsory Redemption Number for such Collateralised Currency Securities determined in accordance with paragraph (b) and the higher of the Price (for such securities) and the Principal Amount;
- (b) the Issuer shall Redeem on the Compulsory Redemption Date (in accordance with Condition 7.10(c)) and on each succeeding Pricing Day, Collateralised Currency Securities of such class up to but not exceeding the applicable Compulsory Daily Amount (for such Pricing Day and such class) until Collateralised Currency Securities of that class in a number equal to the Compulsory Redemption Number for that class have been Redeemed;
- (c) the Issuer shall effect a Redemption of any Collateralised Currency Securities pursuant to this Condition 7.10 by paying the Redemption Amount into the appropriate Redemption Account(s) within three Relevant Business Days of the Redemption Payment Date for such Compulsory Redemption **provided that** the Issuer shall have no obligation to make any such payment unless and until the Security Holder deposits the Collateralised Currency Securities in question into a CREST account as specified by the Issuer for such purpose

(and the Issuer has received confirmation of such deposit) or otherwise delivers such Collateralised Currency Securities to the Issuer in such manner as may be agreed by the Issuer or unless all such Collateralised Currency Securities are cancelled to the satisfaction of the Issuer;

- (d) the Issuer shall calculate as at the Compulsory Redemption Date in respect of each Collateralised Currency Security being Redeemed pursuant to this Condition 7.10, the amount which the holder of such Collateralised Currency Security would be entitled to pursuant to Condition 3.2 after the Security Trustee or secured party had realised the Class Collateral Pool for such class (the **Entitlement Amount**). To the extent that the Entitlement Amount is less than the amount payable by the Issuer to such Security Holder pursuant to Condition 7.10(c), the Issuer's obligation to make payment of such amount shall be satisfied by the payment of the Entitlement Amount and no further obligation shall arise and any indebtedness in respect of such amount, to the extent it exceeds the Entitlement Amount, shall be unconditionally extinguished.

7.11 Where:

- (a) a Compulsory Redemption Date is notified or occurs pursuant to Condition 7.2 in respect of a class of Collateralised Currency Securities; and
- (b) the payment of the Compulsory Redemption Amount with respect to such class is dependent on the enforcement by the Security Trustee of all (but not some only) Counterparty Collateral Pools forming the Gross Class Collateral Pool for such class in accordance with Condition 12.1,

the Compulsory Redemption Amount shall fall due for payment on the Redemption Payment Date relating to such Compulsory Redemption Date and the provisions of Condition 7.9(a) and (b) shall not apply.

- 7.12 When calculating the Entitlement Amount, the Issuer shall be entitled to rely on valuations of securities and other assets provided to it by the Collateral Administrator or such other Investment Advisor as it may from time to time appoint. In making such calculation the Issuer may convert one currency to another currency at such exchange rate as may be available to it at that time.

8 SETTLEMENT OF REDEMPTION AMOUNTS

- 8.1 Where a Redemption Form has been given for the Redemption of Collateralised Currency Securities of any class, the Security Holder which holds those Collateralised Currency Securities which are the subject of that Redemption must deposit the Collateralised Currency Securities in question into an appropriate CREST account and give correct delivery versus payment instructions in accordance with the Redemption Notice if they were in Uncertificated Form, or otherwise deliver the Collateralised Currency Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree if they are in Certificated Form. Once a valid Redemption Form is given in respect of Collateralised Currency Securities the Collateralised Currency Securities in respect of which it was given may not be transferred by the Security Holder (except to the Issuer), and the Issuer may refuse to recognise any subsequent transfer of any of those Collateralised Currency Securities.
- 8.2 Failure by a Security Holder to deposit those Collateralised Currency Securities into an appropriate CREST account and give correct delivery versus payment instructions shall not invalidate the Redemption of those Collateralised Currency Securities. Where settlement of a Redemption of Collateralised Currency Securities is delayed due to the failure of the Security Holder to deposit the Collateralised Currency Securities in question into an appropriate CREST account or give correct delivery versus payment instructions or otherwise deliver such Collateralised Currency Securities and any certificates representing them in a manner agreed by the Issuer, the Security Holder shall not be entitled to any interest on the Redemption Amount after the Redemption Payment Date. If the Security Holder fails to deliver such Collateralised Currency Securities to the Issuer (via the CREST system or another method agreed with the Issuer), the Issuer shall be entitled to pay a Redemption Amount (in the Relevant Currency for Collateralised Currency Securities of such class) in respect thereof into the Redemption Account

for such currency (to be held on trust for the Security Holder), and to cancel the entry in the Register in respect of those Collateralised Currency Securities.

- 8.3 Where Collateralised Currency Securities are Redeemed in accordance with Condition 7, the Issuer shall be entitled, upon payment of the Redemption Amount (less the Redemption Fee, if applicable) (or such lesser amount as may be due and payable pursuant to Condition 3.2, 7.9 and 7.10) into the applicable Redemption Account to cancel the entry in the Register in respect of those Collateralised Currency Securities being Redeemed.
- 8.4 Payment of the Redemption Amount (less any applicable Redemption Fee deducted under Condition 9) (or such lesser amount as may be due and payable pursuant to Condition 3.2, 7.9 and 7.10) into the applicable Redemption Account on the Redemption Payment Date is in full satisfaction of all liability which the Issuer has to Security Holders in respect of the Collateralised Currency Securities which have been Redeemed.
- 8.5 The Issuer may, at any time, notify a Security Holder that a Currency Transaction Counterparty may have to withhold or deduct from a payment for a Closing that corresponds to any Redemption by that Security Holder an amount for or on account of, any present or future taxes, duties assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Collateralised Currency Securities that may allow the Currency Transaction Counterparty to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer and the relevant Currency Transaction Counterparty by the relevant Security Holder or if it is not the beneficial owner of Collateralised Currency Securities held by such Security Holder and which are to be redeemed, then any such payment will be reduced (and the matching obligation of the Issuer to pay any Redemption Amount to that Security Holder will also be reduced) by the amount of the withholding or deduction.
- 8.6 The Redemption of Collateralised Currency Securities by the Issuer pursuant to the occurrence of a Listing Failure, and delivery of Collateralised Currency Securities by an Authorised Participant in connection therewith, shall be effected in accordance with the procedures set out in the applicable Authorised Participant Agreement.
- 8.7 The Issuer may give such directions to the Security Holder as appear to the Issuer to be necessary to enable the settlement of any payment or delivery to be made by it pursuant to this Condition.

9 REDEMPTION FEE

- 9.1 Subject as provided below, it is a condition to the performance by the Issuer of the obligation to Redeem Collateralised Currency Securities that the Issuer may deduct the Redemption Fee from the Redemption Amount and that if it does not the Security Holder of such Collateralised Currency Securities shall pay to the Issuer the Redemption Fee in respect of such Redemption in accordance with this Condition 9. The Issuer may offset the amount of the Redemption Fee payable hereunder against the Redemption Amount payable to the Security Holder.
- 9.2 On a Redemption of Collateralised Currency Securities at the request of an Authorised Participant, the Redemption Fee shall be the amount agreed in the relevant Authorised Participant Agreement to be payable, or such other amount as may be agreed by the Issuer and that Authorised Participant at the time of the Redemption, regardless of the number of Collateralised Currency Securities being redeemed provided that such Redemption Fee shall be reduced where the payment of such Redemption Fee would result in a Security Holder receiving an amount less than the aggregate Principal Amount of such Collateralised Currency Securities being redeemed.
- 9.3 On a Redemption of Collateralised Currency Securities at the request of a Security Holder who is not an Authorised Participant (where there are no Authorised Participants), the Redemption Fee shall be an amount equal to the cost to the Issuer of satisfying such Redemption request,

which shall be notified to the Security Holder at the time of the Redemption being not greater than £500 or such other amount as may be notified by RIS announcement provided that such Redemption Fee shall be reduced where the payment of such Redemption Fee would result in a Security Holder receiving an amount less than the aggregate Principal Amount of such Collateralised Currency Securities being redeemed.

- 9.4 On a Compulsory Redemption of Collateralised Currency Securities by the Issuer or at the request of the Trustee, the Redemption Fee shall be an amount equal to the cost to the Issuer incurred in relation to the Redemption, including the costs of enquiries under Condition 11 and the cost of giving notices under Condition 8 being not greater than £500 or such other amount as may be notified through a RIS. The Issuer shall notify Security Holders whose Collateralised Currency Securities are subject to Compulsory Redemption of the amount of those costs, and their allocation to particular Security Holders, at the time of the Redemption provided that such Redemption Fee shall be reduced where the payment of such Redemption Fee would result in a Security Holder receiving an amount less than the aggregate Principal Amount of such Collateralised Currency Securities being Redeemed.
- 9.5 The Issuer may set off any amount payable to the Issuer in accordance with this Condition 9 by the holder of Collateralised Currency Securities in respect of the Redemption Fee against the Redemption Amount payable by the Issuer to such holder.

10 SATISFACTION OF REDEMPTION FORMS BY TRANSFER

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

11 ENQUIRIES AS TO STATUS OF SECURITY HOLDERS

- 11.1 The Issuer may at any time, without any requirement to state a reason, give notice to a Security Holder requiring that Security Holder:
- (a) to certify, no later than the date (the **Investor Notice Expiry Date**) falling fifteen Pricing Days following the date on which the Issuer sends or transmits such requirement to that Security Holder whether that Security Holder is a Prohibited US Person or a Prohibited Benefit Plan Investor (and if that Security Holder is a Prohibited Benefit Plan Investor or Prohibited US Person, to notify the Issuer of the number and class of Collateralised Currency Securities in respect of which it is a Prohibited Benefit Plan Investor or Prohibited US Person); and
 - (b) if that Security Holder asserts that it is not a Prohibited US Person or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of all Collateralised Currency Securities held by it), to provide to the Issuer by the Investor Notice Expiry Date a certificate in the form and executed in the manner determined by the Issuer that the Security Holder is not a Prohibited US Person, or not a Prohibited Benefit Plan Investor (or not a Prohibited Benefit Plan Investor or not a Prohibited US Person in respect of certain Collateralised Currency Securities held by it, specifying the number and class of Collateralised Currency Securities in respect of which it is, and is not, a Prohibited Benefit Plan Investor or is, and is not, a Prohibited US Person).
- 11.2 The Issuer may provide to any Currency Transaction Counterparty copies of any enquiries made by it under this Condition 11 and any responses received from the Security Holder.
- 11.3 The Issuer shall be entitled, save to the extent that it has made enquiry under this Condition 11, to assume that none of the Collateralised Currency Securities are held by Prohibited US Persons or Prohibited Benefit Plan Investors.

12 ENFORCEMENT

AVIII.3.4.6

12.1

12.1.1 The Trustee shall:

- (a) if a Defaulted Obligation (other than where an Issuer Insolvency Event or a Counterparty Event of Default in respect of a Corresponding Currency Transaction Counterparty for such class, has occurred and is continuing at such time) has occurred and is continuing and if so directed in writing by Security Holders of the Relevant Exposed Classes holding not less than 10 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of such Relevant Exposed Classes subject to the Trustee having:

- (i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and
- (ii) received instructions as provided in Condition 7.2,

instruct each relevant Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by each Security Deed forming part of any Gross Class Collateral Pool relevant to each Relevant Exposed Class;

- (b) if a Counterparty Event of Default has occurred and is continuing, and as a result any Redemption Notice in respect of Collateralised Currency Securities of any class issued on any of 30 continuous Pricing Days would have been invalid pursuant to Condition 6.8(g) or 6.17(c) or the Issuer has suspended Redemptions in relation to such class for a period of 30 Pricing Days, and if so directed in writing by Security Holders of the Relevant Affected Classes holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of Collateralised Currency Securities of those Relevant Affected Classes subject to the Trustee having:

- (i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and
- (ii) received instructions as provided in Condition 7.2,

instruct the relevant Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by the Security Deed relating to the Currency Transaction Counterparty which is the subject of that Counterparty Event of Default;

- (c) if an Issuer Insolvency Event has occurred and is continuing and shall if so directed in writing by Security Holders holding not less than 25 per cent. by Principal Amount (as at the date of receipt by the Trustee of the latest written notice) of all the Collateralised Currency Securities of all the classes then outstanding but in each case subject to the Trustee having:

- (i) first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing; and
- (ii) received instructions as provided in Condition 7.2,

instruct any or each Security Trustee to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by each Security Deed.

- 12.1.2 The Security Trustee is required under the terms of each Security Deed, if a CTC Enforcement Event has occurred and is continuing which relates to a Counterparty Collateral Pool and if so directed in writing by the Currency Transaction Counterparty to which such Counterparty Collateral Pool relates, but subject to the Security Trustee having first been indemnified and/or secured and/or pre-funded to its satisfaction against all Liabilities to which it may thereby render itself liable or which it may incur by so doing, to take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other person to enforce the security constituted by that Security Deed in respect of such Counterparty Collateral Pool.
- 12.1.3 If a Defaulted Obligation and/or an Issuer Insolvency Event has occurred and is continuing, the Trustee shall, if so instructed by any Security Holder, and indemnified and/or secured and/or pre-funded to its satisfaction, take such proceedings and other actions (other than to instruct the relevant Security Trustee to take any action to enforce the security constituted by any Security Deed) against or in relation to the Issuer to enforce any payment obligation of the Issuer under the Trust Instrument and the Collateralised Currency Securities held by that Security Holder, subject always to the provisions of Condition 3.2.
- 12.2 If the Trustee considers that the Issuer is in material breach of any of the covenants, undertakings and obligations (other than payment obligations) in the Trust Instrument and has not remedied the same within 30 calendar days of being required to do so by the Trustee, the Trustee may, but shall not be obliged to, give notice to all Security Holders of that fact. Prior to giving any such notice, the Trustee shall provide a copy of the proposed notice to the Issuer and shall include with the notice any statement of not more than 1,000 words prepared by the Issuer and provided to the Trustee for the purpose within 7 calendar days of receipt of the copy of the proposed notice referred to herein. In any such notice the Trustee may designate a Period (the **Breach Redemption Period**) commencing on any London Business Day until the date one month from such London Business Day (inclusive) during which each Security Holder will be entitled to redeem all (but not some only) of the Collateralised Currency Securities held by it in the same manner as though there were no Authorised Participants. After the expiry of the Breach Redemption Period, the relevant breach shall be deemed waived without prejudice to the right of the Trustee to take action in the event of any subsequent such breach.
- 12.3 In the event that at any time during the Breach Redemption Period the right to Redeem Collateralised Currency Securities of any class pursuant to Condition 6.1 is suspended pursuant to Condition 6.18, then the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 12.2 shall be suspended in like manner and the provisions of Condition 6.18 shall apply *mutatis mutandis*. Upon the suspension ceasing under Condition 6.18, the right to Redeem Collateralised Currency Securities of that class pursuant to Condition 12.2 shall resume and the Breach Redemption Period in respect of that class shall continue until the date one month from the date on which the suspension so ceased.
- 12.4 Subject to Condition 12.5, only the Trustee or, in the case of a CTC Enforcement Event the relevant Currency Transaction Counterparty, may direct a Security Trustee to enforce the security constituted by a Security Deed. Where the Trustee has been directed to direct a Security Trustee to enforce in accordance with the terms thereof, the right of Security Holders to lodge a Redemption Form with the Registrar shall cease. Valid Redemption Forms lodged before the date the Trustee announces its intention to instruct a Security Trustee to enforce the security (the **Election Date**) will be Redeemed in the normal manner.
- 12.5 No Security Holder will be entitled to proceed directly against the Issuer unless the Trustee and/or Security Trustee, having become bound so to proceed, fails to do so within a reasonable period and such failure is continuing, in which case any such Security Holder will have only such rights against the Issuer as those which the Trustee and/or Security Trustee is entitled to exercise against or in relation to the Issuer.
- 12.6 When giving instructions to a Security Trustee (or taking enforcement action pursuant to a Security Deed) the Trustee (or Security Trustee) shall be entitled to rely on any advice received from the Collateral Administrator or such other Investment Advisor as it may from time to time

appoint. In making any calculation the Security Trustee or its agent may convert one currency to another currency at such rate as may be available to it at that time.

- 12.7 For the purposes of any directions to the Trustee pursuant to Condition 7.2, 13.1 or 18.1, the aggregate Principal Amount of any or all classes of Collateralised Currency Securities shall be calculated in US Dollars on the basis of an exchange rate of US\$1 = Euro 1.

13 ACCOUNTS, SECURITY AND APPLICATION OF MONEYS

Accounts

- 13.1 The Issuer shall establish and maintain a Custody Account in respect of its dealings with each Currency Transaction Counterparty and may (but shall not be obliged to) establish a Cash Account in the Relevant Currency in respect of its dealings with each such person.
- 13.2 The Issuer shall procure that the following securities or amounts, as applicable, are delivered or paid, as applicable, into and credited to the Relevant Issuer Account in respect of any Currency Transaction Counterparty promptly upon receipt thereof:
- (a) any amount received by or on behalf of the Issuer for the issue of any Collateralised Currency Security in respect of which the Issuer has a Corresponding Currency Transaction with such Currency Transaction Counterparty;
 - (b) any amount paid to the Issuer from time to time by any Currency Transaction Counterparty pursuant to the ISDA Master Agreement with such Currency Transaction Counterparty;
 - (c) any securities delivered or amount paid to the Issuer from time to time pursuant to the Global Master Repurchase Agreement with such Currency Transaction Counterparty; and
 - (d) all interest accrued and paid in respect of any cash balance standing to the credit of a Relevant Issuer Account for time to time.
- 13.3 The Issuer shall procure that, subject to the provisions of the Security Deeds and any applicable Account Provider's Rights, only the following securities or amounts, as applicable, are transferred from or paid out of, as applicable, and debited to the Relevant Issuer Account in respect of any Currency Transaction Counterparty:
- (a) any amount to be applied towards the purchase of any securities or any securities to be delivered to such Currency Transaction Counterparty pursuant to the terms of any Repo entered into under the Global Master Repurchase Agreement with such Currency Transaction Counterparty;
 - (b) any Redemption Amount required to be paid by the Issuer in respect of the Redemption of any Collateralised Currency Security in respect of which the Issuer has (or had) entered into a Corresponding Currency Transaction with such Currency Transaction Counterparty;
 - (c) any amount required to be paid from time to time to such Currency Transaction Counterparty pursuant to the applicable Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement;
 - (d) any amount required to be paid from time to time to the Trustee or any Security Trustee and secured pursuant to the relevant Security Deed; and
 - (e) any amount to be paid to ETFSL or any Affiliate under the Services Agreement in respect of the Management Fee.

Application of Proceeds

- 13.4 All moneys received by the Security Trustee at any time pursuant to the realisation of assets in any Counterparty Collateral Pool shall be held by the Security Trustee upon trust, to apply them:
- (a) FIRST in payment of all amounts then due to the Security Trustee and the Trustee and unpaid (including to any attorneys, managers, agents, delegates or other person appointed by either of them) in respect of each class to which such Counterparty Collateral Pool is

relevant under the terms of the relevant Security Deed and the Trust Instrument (as determined by the Security Trustee in its absolute discretion), and to payment of any remuneration and expenses of any receiver and the costs of realisation of the security constituted by the relevant Security Deed then unpaid, (for the avoidance of doubt, excluding any Redemption Amounts owed to the Trustee under the Trust Instrument);

- (b) SECONDLY in or towards payment or discharge of all amounts then due and unpaid by the Issuer to the Currency Transaction Counterparty to which such Counterparty Collateral Pool relates under the Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement with such Currency Transaction Counterparty;
- (c) THIRDLY in or towards payment of all amounts then due and unpaid in respect of the Collateralised Currency Securities to which such Counterparty Collateral Pool is relevant on a *pro rata* basis as provided in Condition 13.5;
- (d) FOURTHLY in or towards payment or performance of all amounts then due and unpaid by the Issuer under the Services Agreement to ETFSL (or any Affiliate with which the Issuer has entered into a Services Agreement);
- (e) FIFTHLY in payment of the balance (if any) to the Issuer (without prejudice to or liability in respect to, any question as to how such payment to the Issuer shall be dealt with as between the Issuer and any other person).

Pro Rata Basis

13.5 The Issuer has covenanted in the Trust Instrument in favour of the Trustee and in each Security Deed in favour of each Security Trustee on any Compulsory Redemption Date pursuant to Condition 7.2 that it will calculate the proportionate entitlement of each class of Collateralised Currency Securities to payments to such class from the proceeds of the assets in the relevant Counterparty Collateral Pool as at the Compulsory Redemption Date for such class (in proportion to the relevant Volume and Daily Payment Amount attributable to the Corresponding Currency Transaction of such class as it relates to the aggregate Volumes and Daily Payment Amounts for all classes of Corresponding Currency Transaction with such Currency Transaction Counterparty) in accordance with the following formula:

AVIII.2.2.5

$$EPA_{i,t} = \frac{V_{j,t-1} + DPA_{j,t}}{\sum_{\lambda=1}^n V_{\lambda,t-1} + \sum_{\lambda=1}^n DPA_{\lambda,t}}$$

$EPA_{i,t}$ the proportionate entitlement in relation to assets in such Counterparty Collateral Pool (after deduction of any amounts payable to the Trustee, the Security Trustee or the Currency Transaction Counterparty in accordance with (a) and (b) above) of Collateralised Currency Securities of class i on day t ;

- i refers to a class of Collateralised Currency Security to which the Counterparty Collateral Pool is relevant;
- j refers to the Currency Transaction with such Currency Transaction Counterparty which corresponds to class i ;
- t refers to the Pricing Day in respect of which such calculation is to be made;
- λ refers to any class of Currency Transaction with such Currency Transaction Counterparty;
- n refers to the total number of classes of Currency Transactions with such Currency Transaction Counterparty;

$V_{j,t-1}$ refers to the Volume on the Pricing Day immediately preceding Pricing Day t, in relation to Currency Transaction j;

$V_{i,t-1}$ refers to the Volume on the Pricing Day immediately preceding Pricing Day t in relation to a Currency Transaction with such Currency Transaction Counterparty;

$DPA_{j,t}$ refers to the (positive or negative) Daily Payment Amount in relation to Currency Transaction j calculated as at Pricing Day t;

$DPA_{i,t}$ refers to the (positive or negative) Daily Payment Amount in relation to a Currency Transaction calculated as at Pricing Day t,

PROVIDED THAT in respect of any class of Collateralised Currency Securities subject to Compulsory Redemption under Condition 7.3 as a result of a Disruption Event and where as a result of such Disruption Event the obligations of the Parties to the Relevant ISDA Master Agreement are modified or substituted with an obligation to pay another amount under the terms of that Relevant ISDA Master Agreement, the proportionate entitlement of such class shall be limited to the proportionate entitlement calculated above in relation to the Adjusted Counterparty Collateral Pool.

- 13.6 The Security Trustee and the Trustee may rely absolutely on the outcome of any such calculation made by the Issuer as communicated to them by the Issuer, and are under no duty or obligation to investigate such calculation.
- 13.7 If the Issuer does not perform such calculation and provide the results thereof to the Security Trustee and the Trustee in accordance with its covenant, then to the extent that all relevant information is available to the Security Trustee it may at its absolute discretion perform such calculation or engage an Investment Advisor to perform such calculation for it, but neither the Security Trustee nor the Trustee shall be under any obligation to do so.
- 13.8 If within 5 days of the realisation of all the assets in a Counterparty Collateral Pool:
- (a) the Trustee and/or the Security Trustee has not been informed of the relevant Volume and Daily Payment Amount information necessary to enable it to carry out such calculation; or
 - (b) neither the Issuer nor any Investment Advisor engaged by the Trustee or Security Trustee has made the calculation contemplated under Condition 13.5,

then the Security Trustee may distribute on such basis as it considers in its absolute discretion to be a *pro rata* basis and shall have no liability to any Security Holder by virtue of so doing, subject to the prior payment or discharge of all prior ranking claims.

14 RESTRICTIONS

- 14.1 So long as any Collateralised Currency Securities in any of a particular class are outstanding, the Issuer covenants in the Trust Instrument, *inter alia*:
- (a) not to incur or permit to subsist any indebtedness for borrowed money in respect of any assets comprising the Gross Class Collateral Pool for such class (the **relevant assets**) other than:
 - (i) Collateralised Currency Securities or Further Securities of such class; and
 - (ii) any Daily Payment Amount Facility or Redemption Liquidity Facility; or
 - (iii) by issuing notes to ETFSL or any Affiliate of the Issuer.and not to give any guarantee or indemnity in respect of indebtedness of any person, save in each case with the prior written consent of the Trustee;
 - (b) other than as permitted under the relevant Security Deed, these Conditions, any Facility Agreement, ISDA Master Agreement, Global Master Repurchase Agreement, Collateral

Administration Agreement or the terms governing any Relevant Issuer Account not to dispose of any relevant assets or any interest therein, or to create any mortgage, pledge, charge, lien, or other form of encumbrance or security interest or right of recourse in respect thereof in favour of any person;

- (c) not to undertake any business save for the issue and redemption of Collateralised Currency Securities the creation and closing of Currency Transactions and the entering into of Repos in each case entering into all necessary documents in connection with this activity and performing its obligations and exercising its rights thereunder;
- (d) to use reasonable endeavours to ensure that at all times after the date three months following Listing there are at least two Authorised Participants and until then there is at least one Authorised Participant;
- (e) not to issue any Collateralised Currency Securities of any class unless it has created a corresponding Currency Transaction in respect of it under an ISDA Master Agreement;
- (f) not to maintain an office or other fixed place of business, nor to establish any permanent establishment, nor be or become tax resident, in any jurisdiction other than Jersey;
- (g) not to make any election under U.S. federal income tax laws to be treated otherwise than as an association taxable as a corporation for U.S. federal income tax purposes;
- (h) to undertake any business so as to seek to minimise the impact of taxation for Security Holders; and
- (i) to procure that each Relevant Issuer Account is at all times maintained in a manner so that it is readily distinguishable from each other Relevant Issuer Account and that no contractual rights of combination or set-off subsist between any Relevant Issuer Account and any other account of the Issuer.

Notwithstanding the foregoing the Issuer may:

- (i) issue unsecured limited recourse notes to ETFSL (or any Affiliate), and may redeem, amend, supplement, extend or replace such notes in accordance with the terms thereof; and
- (ii) make any loan to ETFSL (or any Affiliate) of the proceeds of the issue of such notes, under which the Issuer may, if it determines to do so, make advances to ETFSL (including by set-off against such proceeds).

15 FURTHER SECURITIES

- 15.1 Subject to its ability to create corresponding Currency Transactions, the Issuer may (without the consent of any Security Holders) create and issue additional classes of undated limited recourse secured debt securities constituted by an instrument or deed supplemental to this Trust Instrument.
- 15.2 The Issuer shall not accept applications for, or issue, Collateralised Currency Securities of a new class under Condition 15.1 unless it has first created a corresponding Currency Transaction under the terms of a Facility Agreement and ISDA Master Agreement.
- 15.3 Without prejudice to the foregoing, the Issuer may consolidate or divide all of the Collateralised Currency Securities of any class into Collateralised Currency Securities of the same class but with a proportionately larger or smaller Principal Amount and Price. Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Instrument.
- 15.4 Whenever as a result of consolidation of Collateralised Currency Securities a Security Holder would become entitled to a fraction of a Collateralised Currency Security the Issuer will Redeem such fraction of a Collateralised Currency Security.
- 15.5 The Issuer may at any time (without the consent of the Security Holders) determine to divide the Gross Class Collateral Pool attributable to a class of Collateralised Currency Securities (the **Existing Class**) by allocating one or more Counterparty Collateral Pools comprised in such

Gross Class Collateral Pool to a new class of Collateralised Currency Securities (the **New Class**), and if it determines to do so, the following shall apply:

- (a) prior to or on such division becoming effective, the Issuer shall create undated limited recourse secured securities (**New Securities**) of the New Class referable to the same Currency Index and otherwise on the same terms as the Existing Class save that:
 - (i) the Counterparty Collateral Pools which are "**relevant**" to such New Class and Existing Class shall be as notified by the Issuer by RIS announcement;
 - (ii) a Corresponding Currency Transaction Counterparty in respect of a New Class following such division shall be a Currency Transaction Counterparty to which a relevant Counterparty Collateral Pool for such New Class relates after such division;
 - (iii) a Corresponding Currency Transaction Counterparty in respect of an Existing Class following such division shall be a Currency Transaction Counterparty to which a relevant Counterparty Collateral Pool for such Existing Class relates after such division;
 - (iv) the New Securities shall have a principal amount and Price determined in accordance with Condition 15.5(a)(v) and (vi) constituted by an instrument or deed on the same terms (*mutatis mutandis*) as the Trust Instrument (save that there shall be no obligation to procure Listing of the New Class) and on terms that such New Securities shall have recourse only to the Class Collateral Pool attributable to such New Class, and shall issue such New Securities to the Security Holders of the Existing Securities outstanding immediately prior to such division becoming effective on the basis of one New Security for each security of the Existing Class (**Existing Security**) then held (and for this purpose any Collateralised Currency Security in respect of which a Defaulted Obligation has occurred and is continuing shall be treated as outstanding);
 - (v) the principal amount and Price of each Existing Security on such division shall be the Division Fraction of the Principal Amount and Price respectively of each Existing Security outstanding immediately prior to the division becoming effective (including any calculation made of the Price for that day in accordance with Condition 5); and
 - (vi) the principal amount and Price of each New Security on such division shall be the differences between the principal amount and Price (respectively) of each Existing Security outstanding immediately prior to the division becoming effective (including any calculation made of the Price for that day in accordance with Condition 5) and the principal amount and Price of each Existing Security as determined in accordance with Condition 15.5(iii).

15.6 For the purposes of this Condition 15, the Division Fraction in relation to an Existing Security of any class is the aggregate of the Volumes of each Corresponding Currency Transaction with each Corresponding Currency Transaction Counterparty in respect of such class after such divisions **divided by** the aggregate Volumes of each Corresponding Currency Transaction with Corresponding Currency Transaction Counterparty in respect of such class immediately before such division.

16 ISSUER'S ABILITY TO PURCHASE COLLATERALISED CURRENCY SECURITIES

There is no restriction on the ability of the Issuer or any of its Affiliates to purchase or repurchase Collateralised Currency Securities.

17 LISTING

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

maintain the quotation or listing of the Collateralised Currency Securities on such other stock exchange as it may (with the prior written approval of the Trustee) decide.

18 WAIVER, AUTHORISATION AND DETERMINATION; MEETINGS OF SECURITY HOLDERS

- 18.1 Subject to Condition 18.2, the Trustee may, without prejudice to its rights in respect of any subsequent breach, but only if and in so far as, in its opinion, the interests of the Security Holders shall not be materially prejudiced thereby, waive or authorise any breach or proposed breach by the Issuer of any of the covenants or provisions contained in the Trust Instrument or any Security Deed, or determine that any Defaulted Obligation, Issuer Insolvency Event or Counterparty Event of Default shall not be treated as such PROVIDED THAT the Trustee shall not exercise any powers conferred on it by this Condition in contravention of any express direction given as provided in Condition 7.2 but so that no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination may be given or made on such terms and subject to such conditions (if any) as the Trustee may determine, shall be binding on the Security Holders and, if, but only if, the Trustee shall so require, shall be notified by the Issuer to the Security Holders as soon as practicable thereafter.
- 18.2 Security Holders in respect of any class or classes of Collateralised Currency Securities have power by Extraordinary Resolution to instruct the Trustee to, *inter alia*, (i) sanction the release of the Issuer from the obligation to pay money payable pursuant to the Trust Instrument, (ii) sanction any modification, abrogation or compromise of, or arrangement in respect of, their rights against the Issuer, (iii) assent to any modification or abrogation of the covenants or provisions contained in the Trust Instrument proposed or agreed to by the Issuer and (iv) sanction other matters as provided therein. The Trust Instrument contains provisions relating to the convening of meetings by the Issuer or the Trustee and provides that, except in the case of an adjourned meeting, at least fourteen calendar days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, shall be given to the Security Holders of the relevant class or classes. In the case of a meeting adjourned through want of a quorum, other than one convened at the requisition of Security Holders, at least seven calendar days' notice (exclusive as aforesaid) should be given unless the day, time and place for the adjourned meeting is specified in the notice convening the original meeting.

19 EXERCISE OF DISCRETIONS

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

20 PRESCRIPTION

The Trust Instrument does not provide for any prescription periods.

21 REMOVAL, RETIREMENT OR REPLACEMENT OF TRUSTEE

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

22 GOVERNING LAW AND JURISDICTION

- 22.1 The Conditions, the Collateralised Currency Securities and the Trust Instrument are governed by the laws of Jersey. Each Security Deed is governed by the laws of England and Wales.

22.2 The Issuer irrevocably agrees for the benefit of the Trustee and the Security Holders that the courts of Jersey are to have jurisdiction to settle any disputes which may arise out of or in connection with the Conditions and the Collateralised Currency Securities and that accordingly any suit, action or proceedings arising out of or in connection with the Conditions and the Collateralised Currency Securities (together referred to as **Proceedings**) may be brought in the courts of Jersey. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of Jersey and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of Jersey shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

23 TRUSTEE'S LIABILITY

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

24 AMENDMENTS TO CONDITIONS

These Conditions may be amended as set out herein or by written agreement between the Issuer and the Trustee. Any amendment to these Conditions will, subject to Condition 26.2, be notified through an RIS announcement, and unless otherwise agreed by the Trustee shall not take effect until:

- (a) in the case of an amendment made pursuant to Condition 25.2(b), at least 10 calendar days following any such notification and at least 30 calendar days following notification by the Issuer of the identity of the proposed transferee or new Currency Transaction Counterparty by RIS announcement;
- (b) in any other case at least 30 calendar days following such notification.

25 AMENDMENTS TO DOCUMENTS

- 25.1 Pursuant to the Trust Instrument and subject to Conditions 6.13 and 25.2, the Issuer covenants that it will not amend, vary, modify or supplement any of the Trustee Consent Documents without the prior written consent of the Trustee save where that amendment is at the election of a Currency Transaction Counterparty to amend the terms of a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement to substantially conform that Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement to another Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement entered into between the Issuer and another Currency Transaction Counterparty and by the creation or closing of Currency Transactions or the entering into of Repos.
- 25.2 The Issuer may, without prejudice to Condition 25.4, by supplemental agreement or supplemental instrument or deed, as applicable, amend these Conditions, the Trust Instrument, any Security Deed or amend or novate any of the Trustee Consent Documents (in respect of Conditions (a), (b), (e) and (f) below without the consent of the Trustee), if one or more of the following applies:
- (a) if the amendment is to substitute for any person providing credit support (howsoever described) for the obligations of a Currency Transaction Counterparty under a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement another person having an Acceptable Credit Rating;

- (b) if the amendment or novation is (A) to effect the transfer of any Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement, or any or any part of any Currency Transaction or Repo (or any position constituting any or any part of such Currency Transaction or Repo) to any Currency Transaction Counterparty or other person (the transferee) or to make amendments consequent upon such transfer or (B) to effect the appointment of a new Currency Transaction Counterparty (a new CTC), provided that (where such transferee is not a Currency Transaction Counterparty immediately prior to such amendment and novation):
 - (i) the transferee or new CTC, as the case may be, has an Acceptable Credit Rating;
 - (ii) such amendment or novation would not affect the Price or Principal Amount of any Collateralised Currency Securities;
 - (iii) such amendment or novation would not reduce the number of Pricing Days in respect of any class of Collateralised Currency Securities;
 - (iv) a Security Deed is executed and delivered in respect of the Issuer's rights (after the exercise of set-off or close out netting rights of such transferee or new CTC as the case may be) under any ISDA Master Agreement or Global Master Repurchase Agreement which the Issuer enters into with such transferee or new CTC, as the case may be, and over any account which is either:
 - (aa) a Relevant Issuer Account established and maintained by the Issuer in respect of its dealings with such transferee or new CTC, as the case may be; or
 - (bb) an account of such transferee or new CTC, as the case may be, established and maintained by it in respect of its dealings with the Issuer in connection with Collateralised Currency Securities with a view to providing security to the Issuer in respect of such transferee's or, as the case may be, new CTC's obligations under such novated or amended documents;
- (c) in the opinion of the Issuer and the Trustee the amendment is necessary or desirable and is not materially prejudicial to the rights of Security Holders;
- (d) in the opinion of the Trustee, the amendment is of a formal, minor or technical nature or to correct a manifest or proven error;
- (e) the amendment is to substitute a different currency index for one or more of the Currency Indices and consequential changes provided that:
 - (i) corresponding adjustments have been agreed with each of the Currency Transaction Counterparties which have Currency Transactions outstanding that refer to the relevant Currency Index or Currency Indices;
 - (ii) the adjustments so agreed have the consequence that at the time of the substitution of the index there is no change to the aggregate Price of the Collateralised Currency Securities of that class or classes which are the subject of the substitution; and
 - (iii) the adjustments do not take effect until at least 30 calendar days have elapsed after they are announced to Security Holders in an RIS announcement;
- (f) the Issuer or the Trustee determines in its discretion that the amendment would affect the holders of different classes of Collateralised Currency Securities differently and the terms of the amendment are authorised by separate Extraordinary Resolutions of the holders of each class of Collateralised Currency Security affected passed in accordance with the Trust Instrument;
- (g) Condition 25.2(f) above does not apply to the amendment and the terms of the amendment are authorised by an Extraordinary Resolution of the Security Holders (as a single class) passed in accordance with the Trust Instrument;

- (h) the terms of the amendment are necessary or desirable in the opinion of the Issuer and the Trustee to comply with any statutory, taxation or other requirement of law (including as modified or applied in any respect to the Collateralised Currency Securities) or any Listing Rules or to rectify any inconsistency, technical defect, manifest error or ambiguity in the terms of the Trust Instrument or such Conditions, Security Deed or Trustee Consent Document; or
- (i) such amendment relates to the terms of an Eligible Collateral Agreement,

Provided that the Trustee shall not (unless it otherwise agrees) be required to amend, or enter into any new document if it would affect its duties or liabilities or its own position.

- 25.3 In the case of an amendment (other than an amendment or novation made pursuant to Condition 25.2(b)) to a Facility Agreement, ISDA Master Agreement, Global Master Repurchase Agreement or an Authorised Participant Agreement, the amendment may not take effect for at least 30 calendar days (or five Pricing Days if the amendment is to be made pursuant to an obligation in the Facility Agreement to negotiate in good faith following notice being given by either party thereto of the occurrence of a Material Adverse Change (as defined therein)), following publication of a notice thereof through a RIS and the Issuer shall not agree to any such amendment unless it does not take effect until such period has elapsed.
- 25.4 The restrictions imposed by Conditions 24 or 25 shall not apply to any amendment to the terms of a Facility Agreement, ISDA Master Agreement or Global Master Repurchase Agreement which, under the terms thereof, is automatic or at the election of the relevant Currency Transaction Counterparty in the circumstances described in Condition 25.1.
- 25.5 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Condition 25.2(a) by publishing a notice on a RIS at least 30 calendar days prior to such amendment becoming effective.
- 25.6 Without prejudice to Condition 24(a), the Issuer shall notify all Security Holders of a proposed amendment or novation as referred to in Condition 25.2(b) by publishing a notice on a RIS at least 10 calendar days prior to such amendment or novation becoming effective.
- 25.7 The Issuer shall notify all Security Holders of a proposed amendment as referred to in Conditions 25.2(e) and 25.2(f) by publishing a notice on a RIS as soon as practicable after such amendment is proposed and in any event, upon such amendment becoming effective.
- 25.8 The Issuer shall give Security Holders at least 30 calendar days notice of a proposed amendment to the Eligible Collateral Agreement as referred to in Condition 25.2(i) or, if the Trustee consents on the basis that such amendment is not materially prejudicial to the interests of Security Holders, at least 5 calendar day notice.
- 25.9 No notice need be given of any amendment as referred to in Conditions 25.2 (c) or (h) or 25.4 unless the Trustee otherwise requires.

26 NOTICES

- 26.1 Except as provided below, all notices required or permitted to be given to Security Holders, the Issuer or the Registrar under the Trust Instrument or pursuant to any other Document must be in writing in English.
- 26.2 All notices required or permitted to be given to a Security Holder under the Trust Instrument or pursuant to any other Trustee Consent Document shall be made by publication through a RIS where required under the terms of such document, but otherwise may be given by publication on the Issuer's Website.
- 26.3 All notices required to be given by the Issuer to Security Holders under the Trust Instrument or otherwise shall be given in writing, except to the extent that the notice relates to a meeting of Security Holders where, in relation to any Collateralised Currency Securities which are held in Uncertificated Form, the directors may from time to time permit notices of Security Holder meetings to be made by means of an electronic communication in the form of an Uncertificated Notice of Meeting in such form and subject to such terms and conditions as may from time to

time be prescribed by the directors (subject always to facilities and requirements of CREST) and may in similar manner permit supplements, or amendments, to any such Uncertificated Notice of Meeting to be made by like means.

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

Fax: [REDACTED]

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

Email: [REDACTED]

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

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

Name: ETFS Foreign Exchange Limited

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

Attention: [REDACTED]

Fax number: [REDACTED]

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

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

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

27 PAYMENT PROVISIONS

27.1 All monies payable by the Issuer in respect of Collateralised Currency Securities shall be paid in the Relevant Currency in fully cleared and immediately available funds.

27.2 All monies payable by the Issuer on the Redemption of any Collateralised Currency Securities shall be paid in full, free and clear of and without any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any relevant jurisdiction or any political sub-division thereof or any authority thereof having power to tax, unless such deduction or withholding is required by law to which the person making the payment is subject.

27.3 Where a day on which a payment would otherwise be due and payable is not a Relevant Business Day, such payment shall be due and payable by the payer on the next following Relevant Business Day.

Schedule 3 – Provisions relating to Registration and Transfer of Collateralised Currency Securities

1. The Issuer will recognise the registered holder of any Collateralised Currency Securities as the absolute owner thereof and shall not be bound to take notice or see to the execution of any trust whether express, implied or constructive to which any Collateralised Currency Securities may be subject and the receipt of the registered holder for the time being of any Collateralised Currency Securities or, in the case of joint registered holders, the receipt of any of them for any moneys payable in respect thereof shall be a good discharge to the Issuer notwithstanding any notice it may have whether express, constructive or otherwise of the right, title, interest or claim of any other person to or in such Collateralised Currency Securities or moneys. No notice of any trust express, implied or constructive shall be entered on the Register in respect of any Collateralised Currency Securities.
2. Every Security Holder will be recognised by the Issuer as entitled to its Collateralised Currency Securities free from any equity, set-off or cross-claim on the part of the Issuer against any original or any intermediate holder of the Collateralised Currency Securities.
3. Subject to the provisions of Schedule 5 (*Provisions Relating To Securities In Uncertificated Form*) hereto the Collateralised Currency Securities are transferable by instrument in writing in the usual common form or such other form as the Issuer may approve.
4. Subject to the provisions of Schedule 5 (*Provisions Relating To Securities In Uncertificated Form*) hereto every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the owner of the Collateralised Currency Securities to be transferred until the name of the transferee is entered in the Register in respect thereof.
5. Subject to the provisions of Schedule 5 (*Provisions Relating To Securities In Uncertificated Form*) hereto every instrument of transfer must be left for registration at the place where the Register shall for the time being be kept accompanied by the Certificate for the Collateralised Currency Securities (if any) to be transferred and such other evidence as the directors or other officers of the Issuer authorised to deal with transfers may reasonably require to prove the title of the transferor or its right to transfer the Collateralised Currency Securities and if the instrument is executed by some other person on its behalf the authority of that person to do so.
6. Subject to the provisions of Schedule 5 (*Provisions Relating To Securities In Uncertificated Form*) hereto all instruments of transfer which shall be registered will be retained by the Issuer.
7. The executors or administrators of a deceased registered holder of Collateralised Currency Securities (not being one of several joint holders) and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only person or persons recognised by the Issuer as having any title to such Collateralised Currency Securities.
8. Any person becoming entitled to Collateralised Currency Securities in consequence of the death or bankruptcy of the holder of such Collateralised Currency Securities may upon producing such evidence that it holds the position in respect of which it proposes to act under this paragraph or of its title as the Issuer shall reasonably think sufficient be registered himself as the holder of such Collateralised Currency Securities or, subject to the preceding paragraphs as to transfer, may transfer such Collateralised Currency Securities. The Issuer shall be at liberty to retain payments in respect of any Collateralised Currency Securities to which any person has become entitled under this paragraph until such person shall be registered as aforesaid or shall duly transfer such Collateralised Currency Securities.
9. Unless otherwise agreed in writing by the Issuer and the relevant holder, payment in respect of the Collateralised Currency Securities may be made by cheque or warrant made payable to the relevant holder or, in the case of joint holders, to all such relevant joint holders or to such person or persons as the relevant holder or all the relevant joint holders may in writing direct and sent to the holder at its registered address, or in the case of joint holders, to that one of

the relevant joint holders who is first named on the Register in respect of such Collateralised Currency Securities at its registered address or to such address as the relevant holder or all the relevant joint holders may in writing direct. Every such cheque or warrant may be sent through the post at the risk of the holder or relevant joint holders and due payment of the cheque or warrant shall be a satisfaction of the principal represented thereby

10. Every such cheque or warrant referred to in paragraph 9 above which is sent through the post shall be sent by first class post on or before the Business Day next preceding the due date of the relevant payment unless such due date is not a Business Day in which event it shall be so sent on or before the second such Business Day.
11. Any notice may be given to any Security Holder by sending the same by post in a prepaid letter addressed to such Security Holder at its registered address. In the case of joint holders of any Collateralised Currency Securities a notice given to the Security Holder whose name stands first on the register in respect of such Collateralised Currency Securities shall be sufficient notice to all the joint holders.
12. Any such notice as is referred to in paragraph 11 above given by post shall be deemed to have been served on the day following the day on which the same was posted or, in the case of any notice posted by second-class post, on the second day following that on which it was posted and in proving such service it shall be sufficient to prove that the envelope containing the notice was properly addressed, stamped and posted.
13. If any Certificate issued pursuant to these presents be worn out or defaced then, upon production thereof to the directors of the Issuer, they may cancel the same and may issue a new Certificate in lieu thereof and if any such Certificate be lost or destroyed, then, upon proof thereof to the reasonable satisfaction of the directors of the Issuer, and, in the case of a lost Certificate or in default of proof of destruction of a Certificate, on such indemnity as the directors of the Issuer may reasonably deem adequate having been given, a new Certificate in lieu thereof shall be issued to the person entitled to such lost or destroyed Certificate. An entry as to the issue of the new Certificate and indemnity (if any) shall be made by the Issuer in the Register.

Schedule 4 - Provisions for meetings of Security Holders

The following provisions applying to meetings of Security Holders apply not just to meetings of the Security Holders (as a single class) but also in the same manner to meetings of the holders of any class of Collateralised Currency Securities.

1. The Issuer and the Trustee may respectively and the Trustee shall, at the request in writing of registered holders of not less than one-tenth of the aggregate Principal Amount of the Collateralised Currency Securities for the time being outstanding and upon receiving such indemnity as the Trustee may require against the cost of convening and holding the meeting, convene a meeting of the Security Holders. Any such meeting shall be held at such place in Jersey and at such time as the Trustee shall determine or approve.
2. At least fourteen calendar days' notice (exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every meeting, including any meeting which is being convened for the purpose of passing an Extraordinary Resolution, shall be given to the Security Holders in the manner provided in Schedule 3 (*Provisions Relating to Registration and Transfer of Collateralised Currency Securities*). Such notice shall specify the place, day and hour of the meeting and the general nature of the business to be transacted at the meeting but it shall not be necessary, except in the case of an Extraordinary Resolution, to specify in such notice the terms of any resolution to be proposed. A copy of such notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee and to the Issuer unless the meeting shall be convened by the Issuer. The accidental omission to give notice to, or the non-receipt of notice by, any of the Security Holders shall not invalidate the proceedings at any meeting.
3. At any meeting one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and holding or representing in the aggregate one-third of the aggregate Principal Amount of the Collateralised Currency Securities for the time being outstanding shall form a quorum for the transaction of business except for the purpose of passing an Extraordinary Resolution. The quorum for passing an Extraordinary Resolution shall be one or more persons being Security Holders present in person or by proxy or (in the case a Security Holder which is a corporation) by its duly authorised representative and holding or representing in the aggregate three-fourths of the aggregate Principal Amount of the Collateralised Currency Securities for the time being outstanding. No business (other than the choosing of a chairman) shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.
4. If within 15 minutes (or such longer period not exceeding 30 minutes as the chairman may decide) from the time appointed for holding the meeting a quorum is not present the meeting, if convened upon the requisition of Security Holders, shall be dissolved. In any other case, it shall stand adjourned to such day (being not less than three nor more than 28 calendar days later) and at such time and place as may have been specified for the purpose in the notice convening the meeting. Where no such arrangements have been so specified, the meeting stands adjourned to such day and time (being not less than 13 calendar days nor more than 42 calendar days thereafter) and to such place as may be appointed by the chairman. At any such adjourned meeting one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative whatever the aggregate Principal Amount of the Collateralised Currency Securities for the time being outstanding held or represented by them shall form a quorum for the transaction of business including the passing of Extraordinary Resolutions. Save where the date, time and place for the adjourned meeting have been specified in the notice convening the meeting as referred to above in this paragraph, at least seven calendar days' notice (exclusive as aforesaid) of any adjourned meeting of Security Holders at which an Extraordinary Resolution is to be proposed shall be given in the same manner as for an original meeting and such notice shall state that one or more persons being Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative at the adjourned meeting whatever the aggregate Principal

Amount of the Collateralised Currency Securities for the time being outstanding held or represented by them will form a quorum.

5. A person nominated in writing by the Trustee shall preside as chairman at every meeting and if no such person is nominated or if at any meeting no person nominated shall be present within five minutes after the time appointed for holding the meeting the Security Holders present shall choose one of their number to be chairman. The chairman of an adjourned meeting need not be the same person as was the chairman of the meeting from which the adjournment took place. The Trustee and the Trustee's legal and financial advisers and any director, officer or employee of a corporation being a trustee of these presents and any director and the secretary and the legal and financial advisers of the Issuer and any other person authorised in that behalf by the Trustee may attend and be heard at any meeting.
6. The chairman may with the consent of any meeting at which a quorum is present and shall if so directed by the meeting adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place.
7. At any meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by the chairman or by one or more Security Holders present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and holding or representing not less than one-twentieth of the aggregate Principal Amount of the Collateralised Currency Securities for the time being outstanding. Unless a poll is so demanded a declaration by the chairman that a resolution has been carried unanimously or by a particular majority or not carried by a particular majority or lost shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.
8. If a poll is duly demanded it shall be taken in such manner as the chairman may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
9. In the case of an equality of votes whether on a show of hands or on a poll the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to the vote or votes (if any) to which he may be entitled as a Security Holder.
10. A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place as the chairman directs.
11. The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded. The demand for a poll may be withdrawn.
12. On a show of hands every Security Holder who is present in person or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative shall have one vote. On a poll every Security Holder who is so present shall have one vote in respect of every US\$1.00 or, as the case may be, Euro1.00 of Principal Amount of Collateralised Currency Securities of which it is the holder or in respect of which it is the proxy or duly authorised representative.
13. In the case of joint registered Security Holders the vote of the senior who tenders a vote whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.
14. On a poll votes may be given either personally or by proxy or (in the case of a Security Holder which is a corporation) by its duly authorised representative and a Security Holder entitled to

more than one vote need not (if it votes) use all its votes or cast all the votes it uses in the same way.

15. The instrument appointing a proxy shall be in such form as the Trustee may approve and shall be in writing under the hand of the appointor or of its attorney duly authorised in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney duly authorised and such instrument shall be deemed to confer authority to demand or join in demanding a poll.
16. A person appointed to act as a proxy need not be a Security Holder.
17. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of such power or authority shall be deposited at the registered office of the Issuer or such other place as the Trustee shall approve not less than 48 hours before the time appointed for holding the meeting or adjourned meeting or for the taking of the poll at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiry of 12 months from the date named in it as the date of its execution.
18. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed PROVIDED THAT no intimation in writing of such death, insanity or revocation shall have been received by the Issuer before the commencement of the meeting or adjourned meeting or the taking of the poll at which the proxy is to be used.
19. A meeting of the Security Holders shall in addition to all other powers have the following powers exercisable by Extraordinary Resolution only, that is to say:
 - (b) power to sanction the release of the Issuer from the payment of moneys payable pursuant to these presents;
 - (c) power to sanction any modification, abrogation or compromise of, or arrangement in respect of, the rights of the Security Holders against the Issuer whether such rights shall arise under these presents, the Certificates for the Collateralised Currency Securities or otherwise;
 - (d) power to assent to any modification or abrogation of the covenants or provisions contained in these presents proposed or agreed to by the Issuer and to authorise the Trustee to concur in and execute any supplemental trust deed or instrument embodying any such modification; and
 - (e) power to agree to the release of any trustee of these presents from any liability in respect of anything done or omitted to be done by such trustee before the giving of such release.
20. An Extraordinary Resolution passed at a meeting of the Security Holders duly convened and held in accordance with the provisions of these presents shall be binding upon all the Security Holders whether present or not present at the meeting and the Issuer, each of the Security Holders and (subject to the provisions for its indemnity contained in the Trust Instrument) the Trustee shall be bound to give effect thereto accordingly.
21. The expression "Extraordinary Resolution" means in respect of one or more classes of Collateralised Currency Securities either (a) a resolution passed at a meeting of the holders of the Collateralised Currency Securities of such class or classes duly convened and held in accordance with the provisions contained in the Trust Instrument and carried by a majority consisting of not less than 75 per cent. in number of the persons voting thereat upon a show of hands or, if a poll is duly demanded, by a majority consisting of the holders of not less than 75 per cent. by Principal Amount of the Collateralised Currency Securities of such class or classes voting on such poll or (b) a resolution in writing of holders of the Collateralised

Currency Securities of such class or classes holding not less than 75 per cent. by Principal Amount of the Collateralised Currency Securities of such class or classes.

22. Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any such minutes as aforesaid if purporting to be signed by the chairman of the meeting shall be conclusive evidence of the matters therein stated and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been so made and signed shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed. Notice of the result of the voting on any resolution duly considered by the Security Holders shall be given by the Issuer not more than 14 calendar days after such result is known PROVIDED THAT the non-receipt of such notice by any Security Holder shall not invalidate such result.
23. A resolution in writing signed by or on behalf of the registered holders of not less than 75 per cent. of the aggregate Principal Amount of the Collateralised Currency Securities outstanding, or of the Collateralised Currency Securities of any class outstanding, shall for all purposes of these presents be as valid and effectual as and be deemed to be an Extraordinary Resolution passed at a meeting of the Security Holders, or of the Security Holders of the Collateralised Currency Securities of that class respectively, duly convened and held in accordance with the provisions herein contained. Such resolution in writing may be contained in one document or in several documents in or substantially in like form each signed by or behalf of one or more of the relevant Security Holders.
24. Subject to all other provisions of these presents, the Trustee may, without the consent of the Issuer or the Security Holders, prescribe such further regulations regarding the requisitioning and/or the holding of meetings of Security Holders and attendance and voting thereat as the Trustee may in its sole discretion think fit.

Schedule 5 – Provisions relating to Securities in Uncertificated Form

1. The following provisions of this Schedule 5 shall have effect in relation to Collateralised Currency Securities which are Participating Securities.
2. So long as the Collateralised Currency Securities or any class thereof are Participating Securities, no provision of these presents shall (notwithstanding anything contained in these presents) apply or have effect to the extent that it is in any respect inconsistent with:
 - (i) the holding of title to Participating Securities in uncertificated form;
 - (ii) the transfer of title to Participating Securities by means of an operator's system; or
 - (iii) the Regulations.
3. Without prejudice to the generality of paragraph 2 of this Schedule 5 (*Provisions relating to Securities in Uncertificated Form*) and notwithstanding anything contained in these presents, where any Collateralised Currency Securities are, for the time being, Participating Securities:
 - (i) Participating Securities may be issued in uncertificated form in accordance with and subject as provided in the Regulations;
 - (ii) Units (as defined in the Regulations) of the Participating Securities may be changed from uncertificated to certificated form, and from certificated to uncertificated form, in each case in accordance with and subject as provided in the Regulations;
 - (iii) where title to a Unit of the Participating Securities is evidenced otherwise than by a certificate by virtue of the Regulations, the transfer of title to such a Unit shall be effected by means of an operator's system in the manner provided for, and subject as provided, in the Regulations and, accordingly (and in particular) paragraphs 3, 4, 5 and 6 of Schedule 3 (*Provisions Relating to Registration and Transfer of Collateralised Currency Securities*) shall not apply in respect of such a Unit to the extent that those paragraphs require or contemplate the effecting of a transfer by an instrument in writing and the production of a Certificate for the Unit to be transferred;
 - (iv) the Issuer shall comply with the provisions of Regulation 18 in relation to the Participating Securities;
 - (v) the provisions of Schedule 4 (*Provisions for Meetings of Security Holders*) with respect to meetings of holders of the Participating Securities shall have effect subject to the provisions of Regulation 40;
 - (vi) Clause 9 of this Trust Instrument shall not apply so as to require the Issuer to issue a Certificate for new Collateralised Currency Securities to any person holding Units of such Collateralised Currency Securities in uncertificated form;
 - (vii) notwithstanding sub-paragraph (vi) above, and for the avoidance of doubt, the Conditions shall remain applicable to the Participating Securities (and accordingly the Issuer shall continue to comply with the terms and conditions of the same in accordance with Clause 13 of this Trust Instrument) notwithstanding that they are not endorsed on any Certificate for any Collateralised Currency Securities which are in certificated form;
 - (viii) the Issuer shall, if so requested in writing by the holder of any Participating Securities in uncertificated form, provide to the holder of such Participating Securities within seven calendar days of the receipt of such request a copy of the Conditions and any other document containing equivalent information to that normally endorsed on the Certificates (but so that joint holders of Participating Securities shall be entitled to receive one copy only of the Conditions or such other document in respect of the

Participating Securities held jointly by them, which copy shall be delivered to that one of the joint holders whose name stands first in the Register of Security Holders in respect of that holding);

- (ix) notwithstanding paragraph 9 of Schedule 3 (*Provisions Relating to Registration and Transfer*) hereto or any other provision of these presents relating to payment in respect of the Collateralised Currency Securities, in respect of any Unit of Participating Securities in uncertificated form, where an authority on that behalf shall have been received by the Issuer from the holder of such Unit in such form as the Issuer shall from time to time consider sufficient, the Issuer may pay or procure the payment of moneys payable by the Issuer to such holder pursuant to these presents in respect of such Participating Securities to any bank or other agent of such holder and payment in accordance with such authority shall constitute a good discharge therefor; and
- (x) for the avoidance of doubt, any Unit of the Participating Securities may be held in certificated form by not more than four joint holders,

and the Issuer hereby covenants with the Trustee that it will comply with and observe and be bound by all the foregoing provisions accordingly.

4. The Trustee may concur with the Issuer in making modifications to the provisions of these presents in order to reflect changes in the Regulations or in the applicable law and/or practice relating to the holding or transfer of Securities in uncertificated form.
5. For the avoidance of doubt terms defined in the Regulations have the same meanings in this Schedule 5 (*Provisions Relating to Securities in Uncertificated Form*).

Schedule 6 – Classes of Collateralised Currency Securities, Currency Indices and Manual

Class of Currency Security	Currency Index	Currency Index Ticker	Manual
ETFS Long AUD Short USD	Long Australian Dollar Index (TR)	MSCEAUDL	MS Manual
ETFS Short AUD Long USD	Short Australian Dollar Index (TR)	MSCEAUDS	MS Manual
ETFS Long GBP Short USD	Long British Pound Index (TR)	MSCEGBPL	MS Manual
ETFS Short GBP Long USD	Short British Pound Index (TR)	MSCEGBPS	MS Manual
ETFS Long CAD Short USD	Long Canadian Dollar Index (TR)	MSCECADL	MS Manual
ETFS Short CAD Long USD	Short Canadian Dollar Index (TR)	MSCECADS	MS Manual
ETFS Long EUR Short USD	Long Euro Index (TR)	MSCEEURL	MS Manual
ETFS Short EUR Long USD	Short Euro Index (TR)	MSCEEURS	MS Manual
ETFS Long JPY Short USD	Long Japanese Yen Index (TR)	MSCEJPYL	MS Manual
ETFS Short JPY Long USD	Short Japanese Yen Index (TR)	MSCEJPYS	MS Manual
ETFS Long NZD Short USD	Long New Zealand Dollar Index (TR)	MSCENZDL	MS Manual
ETFS Short NZD Long USD	Short New Zealand Dollar Index (TR)	MSCENZDS	MS Manual
ETFS Long NOK Short USD	Long Norwegian Krone Index (TR)	MSCENOKL	MS Manual
ETFS Short NOK Long USD	Short Norwegian Krone Index (TR)	MSCENOKS	MS Manual
ETFS Long SEK Short USD	Long Swedish Krona Index (TR)	MSCESEKL	MS Manual
ETFS Short SEK Long USD	Short Swedish Krona Index (TR)	MSCESEKS	MS Manual
ETFS Long CHF Short USD	Long Swiss Franc Index (TR)	MSCECHFL	MS Manual
ETFS Short CHF Long USD	Short Swiss Franc Index (TR)	MSCECHFS	MS Manual
ETFS 2x Long AUD Short USD	Double Long Australian Dollar Index (TR)	MSCEAUUL	MS Manual
ETFS 2x Short AUD Long USD	Double Short Australian Dollar Index (TR)	MSCEAUUS	MS Manual
ETFS 2x Long GBP Short USD	Double Long British Pound Index (TR)	MSCEGBUL	MS Manual
ETFS 2x Short GBP Long USD	Double Short British Pound Index (TR)	MSCEGBUS	MS Manual
ETFS 2x Long CAD Short USD	Double Long Canadian Dollar Index (TR)	MSCECAUL	MS Manual
ETFS 2x Short CAD Long USD	Double Short Canadian Dollar Index (TR)	MSCECAUS	MS Manual
ETFS 2x Long EUR Short USD	Double Long Euro Index (TR)	MSCEEUUL	MS Manual
ETFS 2x Short EUR Long USD	Double Short Euro Index (TR)	MSCEEUUS	MS Manual
ETFS 2x Long JPY Short USD	Double Long Japanese Yen Index (TR)	MSCEJPUL	MS Manual
ETFS 2x Short JPY Long USD	Double Short Japanese Yen Index (TR)	MSCEJPUS	MS Manual
ETFS 2x Long NZD Short USD	Double Long New Zealand Dollar Index (TR)	MSCENZUL	MS Manual
ETFS 2x Short NZD Long USD	Double Short New Zealand Dollar Index (TR)	MSCENZUS	MS Manual
ETFS 2x Long NOK Short USD	Double Long Norwegian Krone Index (TR)	MSCENOUL	MS Manual
ETFS 2x Short NOK Long USD	Double Short Norwegian Krone Index (TR)	MSCENOUS	MS Manual
ETFS 2x Long SEK Short USD	Double Long Swedish Krona Index (TR)	MSCESEUL	MS Manual
ETFS 2x Short SEK Long USD	Double Short Swedish Krona Index (TR)	MSCESEUS	MS Manual
ETFS 2x Long CHF Short USD	Double Long Swiss Franc Index (TR)	MSCECHUL	MS Manual
ETFS 2x Short CHF Long USD	Double Short Swiss Franc Index (TR)	MSCECHUS	MS Manual
ETFS Long GBP Short EUR	Long British Pound/Euro Index (TR)	MSCEEGL	MS Manual
ETFS Short GBP Long EUR	Short British Pound/Euro Index (TR)	MSCEEGS	MS Manual
ETFS Long JPY Short EUR	Long Japanese Yen/Euro Index (TR)	MSCEEJL	MS Manual
ETFS Short JPY Long EUR	Short Japanese Yen/Euro Index (TR)	MSCEEJS	MS Manual
ETFS Long NOK Short EUR	Long Norwegian Krone/Euro Index (TR)	MSCEENL	MS Manual
ETFS Short NOK Long EUR	Short Norwegian Krone/Euro Index (TR)	MSCEENS	MS Manual
ETFS Long SEK Short EUR	Long Swedish Krona/Euro Index (TR)	MSCEESL	MS Manual

ETFS Short SEK Long EUR	Short Swedish Krona/Euro Index (TR)	MSCEEES	MS Manual
ETFS Long CHF Short EUR	Long Swiss Franc/Euro Index (TR)	MSCEECL	MS Manual
ETFS Short CHF Long EUR	Short Swiss Franc/Euro Index (TR)	MSCEECS	MS Manual
ETFS 2x Long GBP Short EUR	Double Long British Pound/Euro Index (TR)	MSCEEGUL	MS Manual
ETFS 2x Short GBP Long EUR	Double Short British Pound/Euro Index (TR)	MSCEEGUS	MS Manual
ETFS 2x Long JPY Short EUR	Double Long Japanese Yen/Euro Index (TR)	MSCEEJUL	MS Manual
ETFS 2x Short JPY Long EUR	Double Short Japanese Yen/Euro Index (TR)	MSCEEJUS	MS Manual
ETFS 2x Long NOK Short EUR	Double Long Norwegian Krone/Euro Index (TR)	MSCEENUL	MS Manual
ETFS 2x Short NOK Long EUR	Double Short Norwegian Krone/Euro Index (TR)	MSCEENUS	MS Manual
ETFS 2x Long SEK Short EUR	Double Long Swedish Krona/Euro Index (TR)	MSCEESUL	MS Manual
ETFS 2x Short SEK Long EUR	Double Short Swedish Krona/Euro Index (TR)	MSCEESUS	MS Manual
ETFS 2x Long CHF Short EUR	Double Long Swiss Franc/Euro Index (TR)	MSCEECL	MS Manual
ETFS 2x Short CHF Long EUR	Double Short Swiss Franc/Euro Index (TR)	MSCEECS	MS Manual
ETFS Long BRL Short USD	Long Brazilian Real Index (TR)	MSCEBRLL	MS Manual
ETFS Short BRL Long USD	Short Brazilian Real Index (TR)	MSCEBRLS	MS Manual
ETFS Long CZK Short USD	Long Czech Koruna Index (TR)	MSCECZKL	MS Manual
ETFS Short CZK Long USD	Short Czech Koruna Index (TR)	MSCECZKS	MS Manual
ETFS Long CNY Short USD	Long Chinese Renminbi Index (TR)	MSCECNYL	MS Manual
ETFS Short CNY Long USD	Short Chinese Renminbi Index (TR)	MSCECNYS	MS Manual
ETFS Long HUF Short USD	Long Hungarian Forint Index (TR)	MSCEHUFL	MS Manual
ETFS Short HUF Long USD	Short Hungarian Forint Index (TR)	MSCEHUFS	MS Manual
ETFS Long INR Short USD	Long Indian Rupee Index (TR)	MSCEINRL	MS Manual
ETFS Short INR Long USD	Short Indian Rupee Index (TR)	MSCEINRS	MS Manual
ETFS Long ILS Short USD	Long Israeli Shekel Index (TR)	MSCEILSL	MS Manual
ETFS Short ILS Long USD	Short Israeli Shekel Index (TR)	MSCEILSS	MS Manual
ETFS Long MXN Short USD	Long Mexican Peso Index (TR)	MSCEMXNL	MS Manual
ETFS Short MXN Long USD	Short Mexican Peso Index (TR)	MSCEMXNS	MS Manual
ETFS Long SGD Short USD	Long Singapore Dollar Index (TR)	MSCESGDL	MS Manual
ETFS Short SGD Long USD	Short Singapore Dollar Index (TR)	MSCESGDS	MS Manual
ETFS Long ZAR Short USD	Long South African Rand Index (TR)	MSCEZARL	MS Manual
ETFS Short ZAR Long USD	Short South African Rand Index (TR)	MSCEZARS	MS Manual

EXHIBIT I - FORM OF DIRECTORS' CERTIFICATE

From: ETFS Foreign Exchange Limited (the **Issuer**)

To: The Law Debenture Trust Corporation p.l.c.

Fifth Floor
100 Wood Street
London EC2V 7EX

in its capacity as Trustee, as defined in the Trust Instrument (the **Trustee**)

Dear Sirs

We, and being Directors of the Issuer refer to a trust instrument (the **Trust Instrument**) constituting Collateralised Currency Securities dated 05 November 2009 between the Issuer and the Trustee. Words and expressions not defined herein shall have the meanings given to them in the Trust Instrument.

This certificate is being given for the purposes of Clause 20(r) of the Trust Instrument.

As Directors of the Issuer, we confirm, on behalf of the Issuer, that:

1. as at [] [date not more than seven calendar days before delivering this certificate (the **relevant date**)] there did not exist and had not existed since [insert relevant date of the previous certificate or 2010 if this is the first certificate] any Defaulted Obligation, Issuer Insolvency Event or Counterparty Event of Default (each as defined in the Trust Instrument) [OR SPECIFY IF NOT]; and
2. during the period from and including [insert relevant date of the previous certificate or 2010 if this is the first certificate] to and including the relevant date the Issuer has complied with all its obligations contained in the Trust Instrument and the Schedules thereto and any trust instrument supplemental to the Trust Instrument and the Schedules (if any) thereto and the Conditions and the Security Deeds and the Schedules thereto, all as from time to time modified in accordance with the provisions therein contained [OR SPECIFY IF NOT].

Yours faithfully

Yours faithfully

.....

.....

Director

Director

for and on behalf of

for and on behalf of

ETFS Foreign Exchange Limited

ETFS Foreign Exchange Limited

IN WITNESS whereof this Trust Instrument has been executed as a deed by the Issuer and the Trustee and entered into on the day and year first above written.

Executed and Delivered as a deed by)
ETFs Foreign Exchange Limited)
acting by: [Redacted])

Director [Redacted]

Executed and Delivered as a deed by)
The Law Debenture Trust Corporation p.l.c.)
acting by:)

Director

Director/Secretary

IN WITNESS whereof this Trust Instrument has been executed as a deed by the Issuer and the Trustee and entered into on the day and year first above written.

Executed and Delivered as a deed by)
ETFS Foreign Exchange Limited)
acting by:)

Director

Executed and Delivered as a deed by)
The Law Debenture Trust Corporation p.l.c.)
acting by:)



Director

~~Director/Secretary~~

