

**BASE PROSPECTUS**

**VanEck ETP AG**

*(a society limited by shares incorporated in Liechtenstein)*

*for the issue of notes under the*

VANECK VECTORS EXCHANGE TRADED NOTE PROGRAMME

*in the version of the Supplement dated 9 November 2020*

**This Base Prospectus was approved by the Liechtenstein Financial Markets Authority on 28 September 2020 and is valid until 27 September 2021. In case of significant new factors, material mistakes or material inaccuracies the Issuer is obliged to establish a supplement to the Prospectus. The Issuers obligation to supplement a prospectus does not apply when a prospectus is no longer valid.**

## VANECK VECTORS EXCHANGE TRADED NOTE PROGRAMME

Under the VanEck Vectors Exchange Traded Note Programme described in this Base Prospectus (the “**Programme**”), VanEck ETP AG (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue collateralised exchange traded securities (the “**Notes**”) which seek to provide exposure to digital assets on the terms set out herein, as completed by the final terms in respect of the relevant Notes (the “**Final Terms**”).

The Notes are designed to provide institutionalised professional investment solutions for investors who wish to gain exposure to digital assets without having to open their own digital assets accounts or maintain digital asset wallets in order to hold the digital assets directly.

The principal asset from which the Issuer will make payments to Investors of each Series of the Notes will be a portfolio of assets (the “**Series Assets**”) which will be selected and managed in order to replicate, to the extent practicable the value and yield performance (before fees and expenses) of an index. Underlying the relevant index for each Series will be one or more digital assets. The return on a Series of Notes will be linked to the daily performance of the Series Assets underlying that Series.

The aggregate number of Notes issued under the Programme will not at any time exceed 1,000,000,000.

Notes will be issued in Series (as defined in the section entitled “**Description of the Programme**”) and each Series will be secured in favour of the Collateral Agent (as defined herein) for the benefit of the investors (“**Noteholders**”) by security over the Series Assets (as defined herein). Claims against the Issuer by holders of the Notes of a particular Series or of any other party to a Series Document in respect of that Series, will be limited to the Series Assets applicable to that Series. During the term of the Notes and on enforcement of the security over the Series Assets, claims of the Noteholders to amounts due and to be paid under the Notes will be subordinated to the claims of, among others, the Collateral Agent and any other claims specified in the relevant Collateral Agent & Pledge Agreement (“**CA Pledge Agreement**”) or applicable law that rank in priority to the Notes.

**The obligations of the Issuer under each Series of Notes are limited to the amount of the Series Assets. If the net proceeds of the enforcement of the security over the Series Assets for a Series of Notes are not sufficient to make all payments then due in respect of the Notes of that Series and, if applicable, the claims of any other Series Parties (as defined in the Final Terms), no other assets of the Issuer (if any) will be available to meet any shortfall. The Issuer will not be obliged to make any further payments in excess of such net proceeds and no debt shall be owed by the Issuer in respect of such shortfall. Therefore, the Noteholders, or any person on their behalf, will not be able to successfully take any action against the Issuer (including instituting, or joining with any other person in bringing, instituting or joining, insolvency or examinership proceedings (whether court based or otherwise) in relation to the Issuer) to recover any such shortfall.**

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

**Products issued under this Programme do not qualify as units of a collective investment scheme according to the relevant provisions of Liechtenstein Law, such as UCITS, AIFMG or IUG. Contrary to investment fund products or entities managing and offering investment funds, neither the products issued under this Prospectus nor the Issuer are licensed or supervised by the Liechtenstein Financial Markets Authority. The rights and legal position of investors acquiring products under this Prospectus are limited recourse claims against the Issuer and are not comparable with rights and the legal position an investor has when acquiring units in an investment fund.**

This Base Prospectus has been approved by the Liechtenstein Financial Markets Authority, Landstrasse 109, 9490 Vaduz, Principality of Liechtenstein (the “**FMA**”), as competent authority under Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). The FMA only approves a security prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129. Such approval should not be considered as an endorsement of the Issuer or a confirmation of the quality of the securities offered under this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The Issuer has requested the FMA to notify the approval of the Base Prospectus in accordance with Chapter 5 of the Prospectus Regulation to the competent Financial Markets Authorities of Germany, the Netherlands, Italy and the United Kingdom by providing them, inter alia, with certificates of approval attesting that this Base Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the FMA to provide competent authorities in other EEA Member States with such certificates whether for the purposes of making a

public offer in such Member States or for admission to trading of all or any Series of Notes on a regulated market therein or both.

The Issuer intends to make application to stock exchanges and regulated or unregulated markets including multilateral trading facilities within the EEA or abroad for certain Series of Notes issued on the basis of this Base Prospectus to be admitted to trading. There can be no assurance that any application for listing will be successful or that, if successful, the admission to listing will be maintained for the term of the Notes. The Issuer reserves the right not to make applications for certain Series of Notes or to subsequently unlist certain Series of Notes.

The Notes are complex, structured products involving a significant degree of risk. In particular, an investment in Notes giving exposure to the daily performance of the applicable index is only appropriate for investors that understand the risk associated with the applicable index. Prospective purchasers of Notes should obtain their own independent accounting, tax and legal advice and should consult their own professional investment advisors in order to determine the merits and risks of an investment in the Notes and the suitability to them of an investment to them in the light of their own circumstances and financial condition. The Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. See "Risk Factors" on page 9 and following.

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

**Arranger**

*VanEck (Europe) GmbH*

**Custodian**

*Bank Frick & Co AG*

**Collateral Agent**

*VanEck (Europe) GmbH*

**Issuing & Paying Agent**

*Quirin Privatbank AG*

**Calculation Agent**

*VanEck (Europe) GmbH*

**Authorised Participant**

*Flow Traders B.V.*

The date of this Base Prospectus is 28 September 2020, the Base Prospectus has been supplemented with Supplement dated 9 November 2020.

## IMPORTANT NOTICES

VanEck ETP AG, having its registered office at Landstrasse 36, 9495 Triesen, Liechtenstein (“the Issuer”) accepts responsibility for all information contained in this document. To the best of the knowledge of the Issuer, who has taken all reasonable care to ensure that such is the case, the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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

The information in the section of this Base Prospectus headed “The Arranger and the Calculation Agent” consists only of information provided to the Issuer by VanEck (Europe) GmbH, having its registered office at Kreuznacher Strasse 30, 60486 Frankfurt am Main, Germany (the “Arranger and Calculation Agent”). The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by VanEck (Europe) GmbH, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed “The Collateral Agent” consists only of information provided to the Issuer by the Collateral Agent VanEck (Europe) GmbH. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the Collateral Agent, if any, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed “The Custodian” consists only of information provided to the Issuer by Bank Frick & Co AG, having its registered office at Landstrasse 14, 9496 Balzers, Liechtenstein. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by Bank Frick & Co AG, no facts have been omitted which would render such reproduced information inaccurate or misleading.

The information in the section of this Base Prospectus headed “Authorised Participants” consists only of information provided to the Issuer by Flow Traders, having its registered office at Jacob Bontiusplaats 9, 1018 LL Amsterdam, the Netherlands (the “Authorised Participant”) the Authorised Participants stated in this section. The Issuer accepts responsibility for the accurate reproduction of such information. As far as the Issuer is aware and is able to ascertain from information published by the Authorised Participants, no facts have been omitted which would render such reproduced information inaccurate or misleading.

New information with respect to Authorised Participants unknown at the time of the approval of the Base Prospectus will be published on the Issuer's Website [www.vaneck.com](http://www.vaneck.com).

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 3.2 of the Prospectus Regulation (“Non-exempt Offers”) in Liechtenstein, Germany, the Netherlands, Italy and the United Kingdom (the “Non-exempt Offer Jurisdiction”). Any person making or intending to make a non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent as described below. In the context of any Non-exempt Offer of Notes, the Issuer accepts responsibility in the Non-exempt Offer Jurisdiction, for the content of this Base Prospectus in relation to any person (an “Investor”) who purchases any Notes in a Non-exempt Offer made by an Authorised Participant (as defined below), where that offer is made during the Offer Period (as defined below).

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

responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

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

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

- (i) any person or entity expressly named as an Authorised Participant in the Final Terms; or
- (ii) any person or entity expressly named as an Authorised Participant on the Issuer's website: [www.vaneck.com](http://www.vaneck.com) (in which case, its name and address will be published on the Issuer's website).

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

#### **Arrangements between an Investor and the Authorised Participant who will distribute the Notes**

Neither the Issuer nor, for the avoidance of doubt, the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent or the Calculation Agent have any responsibility for any of the actions of any Authorised Participant, including compliance by an Authorised Participant with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

An Investor intending to acquire or acquiring any Notes from an Authorised Participant will do so, and offers and sales of the Notes to such Investor by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between that Authorised Participant and such Investor including as to price, allocations and settlement arrangements (the "Terms and Conditions of the Non-exempt Offer"). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Base Prospectus does not contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Participant at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any other Authorised Participants has any responsibility or liability for such information.

The Authorised Participants, the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent and the Calculation Agent have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Authorised Participant(s), the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent and the Calculation Agent as to the accuracy or completeness of the financial information contained herein, or any other financial statements or any further information supplied in connection with the Programme or any of the Notes or their distribution.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other financial statements or further information supplied pursuant to the terms of the Programme or any of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by any of the Issuer, any Authorised Participant, the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent and the Calculation Agent.

Neither this Base Prospectus nor any further information supplied pursuant to the terms of the Programme or the Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation or constituting an invitation or offer by or on behalf of any of the Issuer or any Authorised Participant, the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent, the Calculation Agent or any other Series Party that any recipient of this Base Prospectus or any further information supplied pursuant to the terms of the Programme or any of the Notes

should subscribe for or purchase any of the Notes. Each investor contemplating purchasing any of the Notes is advised to make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

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

Each of the Authorised Participants, the Arranger, the Custodian, the Paying Agents, the Collateral Agent, the Issuing and Paying Agent and the Calculation Agent expressly does not undertake to review the financial condition or affairs of the Issuer or the validity, effectiveness or adequacy of any security provided by the Issuer during the term of the Programme.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the banks of Liechtenstein or elsewhere. The Issuer is not and will not be regulated by the Liechtenstein FMA as a result of issuing the Notes.

For a description of certain restrictions on offers and sales of Notes and on the distribution of this Base Prospectus, see the section headed "Subscription and Sale".

All references in this document to "£", "pounds", "Pounds Sterling" and "Sterling" are to the lawful currency of the United Kingdom, all references to "\$", "US\$", "USD" and "US dollars" are to the lawful currency of the United States of America, references to "CHF" and "Swiss Francs" are references to the lawful currency of Switzerland, references to "HK\$", "HKD" and "Hong Kong dollars" are references to the lawful currency of the Hong Kong SAR, references to "JPY", "JP Yen", "¥", "JP¥" and "Japanese Yen" are references to the lawful currency of Japan and references to "€", "euro" and "EUR", are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community as amended by the Treaty on European Union. For the avoidance of doubt, the websites referred to in this document and the contents thereof do not form part of this Base Prospectus unless explicitly specified.

#### **Benchmark Administrator**

Under Regulation (EU) 2016/1011 (the "Benchmark Regulation"), benchmark administrators should apply for authorisation or registration as an administrator before 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators and benchmarks maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation. As at the date of this Base Prospectus, the Issuer intends to only use benchmarks with an administrator indicated in the ESMA register within the meaning of the Benchmark Regulation for any of the Series of Notes issued on the basis of this Base Prospectus.

The expression "Prospectus Regulation" means Regulation (EU) 2017/1129 and includes any delegated acts (such as Commission Delegated Regulations (EU) 2019/979 and 2019/980) and relevant implementing measure in each Relevant Member State.

# Inhaltsverzeichnis

<b>IMPORTANT NOTICES</b>	<b>4</b>
<b>SUMMARY</b>	<b>9</b>
<b>RISK FACTORS</b>	<b>10</b>
I. GENERAL	10
II. RISK FACTORS RELATING TO THE ISSUER AND THE LEGAL STRUCTURE	11
III. RISK FACTORS RELATING TO THE NOTES	13
IV. RISKS RELATED TO OTHER SERIES PARTIES	20
<b>DESCRIPTION OF THE PROGRAMME</b>	<b>21</b>
<b>ECONOMIC OVERVIEW OF THE NOTES</b>	<b>30</b>
<b>DESCRIPTION OF THE SERIES ASSETS</b>	<b>35</b>
<b>DESCRIPTION OF THE INDICES</b>	<b>37</b>
<b>DESCRIPTION OF THE DIGITAL ASSETS</b>	<b>39</b>
<b>SUPPLEMENTS</b>	<b>46</b>
<b>PURPOSE OF FINAL TERMS</b>	<b>47</b>
<b>TERMS AND CONDITIONS OF THE NOTES</b>	<b>48</b>
1. DEFINITIONS	49
2. FORM AND TITLE	55
3. CONSTITUTION AND STATUS	55
4. NOTE VALUE	55
5. SECURITY	55
6. RESTRICTIONS	58
7. REDEMPTION	60
8. DISRUPTION EVENTS, ADJUSTMENTS EVENTS AND POSTPONEMENT	64
9. PAYMENTS, CALCULATIONS, AGENTS AND RECORDS	65
10. PRESCRIPTION	68
11. EVENTS OF DEFAULT	68
12. ENFORCEMENT	69
13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RESTRICTIONS	69
14. REPLACEMENT OF NOTES	72
15. ISSUE OF FURTHER SERIES OF NOTES	72
16. NOTICES	74
17. RELEVANT CLEARING SYSTEM	74
18. GOVERNING LAW AND JURISDICTION	74
<b>FORM OF FINAL TERMS</b>	<b>75</b>
<b>SETTLEMENT AND CLEARING OF NOTES</b>	<b>80</b>
<b>SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM</b>	<b>81</b>
<b>SUMMARY OF THE SERIES DOCUMENTS</b>	<b>83</b>
<b>COLLATERAL AGENT &amp; PLEDGE AGREEMENT</b>	<b>83</b>
<b>AGENCY AGREEMENT</b>	<b>83</b>
<b>CALCULATION AGENCY AGREEMENT</b>	<b>84</b>
<b>CUSTODY AGREEMENT</b>	<b>84</b>
<b>AUTHORISED PARTICIPANT AGREEMENT</b>	<b>84</b>

<b>OPERATING PROCEDURES AGREEMENT</b>	<b>85</b>
<b>COST TRANSFER AGREEMENT</b>	<b>85</b>
<b>DIGITAL ASSETS CUSTODY</b>	<b>86</b>
<b>THE ISSUER</b>	<b>88</b>
<b>THE ARRANGER AND CALCULATION AGENT</b>	<b>91</b>
<b>THE COLLATERAL AGENT</b>	<b>92</b>
<b>THE CUSTODIAN</b>	<b>93</b>
<b>AUTHORISED PARTICIPANTS</b>	<b>94</b>
<b>TAX CONSIDERATIONS</b>	<b>95</b>
<b>SUBSCRIPTION AND SALE</b>	<b>98</b>
<b>GENERAL INFORMATION</b>	<b>100</b>



## **SUMMARY**

For each Series of Notes, a summary specific to the individual issue will be drawn up and filed with the Liechtenstein FMA together with the Final Terms. Final Terms and summaries specific to each Series of Notes are available, together with this Base Prospectus, for inspection and download at the website of the Issuer at [www.vaneck.com](http://www.vaneck.com).

## RISK FACTORS

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

*All capitalised terms used in this section "Risk Factors" shall have the meanings given to them in other sections of this Base Prospectus, unless otherwise defined in this section "Risk Factors" of this Base Prospectus.*

### I. General

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

The Notes are complex, structured products involving a significant degree of risk. In particular, an investment in Notes giving exposure to the daily performance of the applicable index is only appropriate for investors that understand the risk associated with the applicable index. The Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment.

#### ***The Notes may not be a suitable investment for all investors***

**Each potential investor in the Notes is advised to determine the suitability of that investment in light of its own circumstances and is advised to consult with its legal, business, tax advisers and such other advisers as it deems appropriate to determine the consequences of an investment in the Notes and to arrive at its own evaluations of the investment.**

In particular, each potential investor is advised to:

- (a) be financially sophisticated in that it either (i) has the requisite knowledge and experience in financial, business and investment matters and of investing in investments offering a similar economic exposure to the Notes, and access to, and knowledge of, appropriate resources, to evaluate the information contained in this document and the relevant Final Terms and the merits and risks of an investment in the Notes in the context of such investors' financial position and circumstances; or (ii) if it does not have such knowledge, experience and access, have consulted with appropriate advisers who do have such knowledge, experience and access;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (c) understand thoroughly the terms of the Notes and be familiar with the behaviour of the market of the Series Assets (including the Digital Assets) and the Index relating to a particular Series of Notes and any relevant indices and financial markets; and
- (d) have an asset base sufficiently substantial as to enable it to sustain any loss that they might suffer as a result of an investment in the Notes and have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes including, without limitation,

**any currency exposure arising from the currency for payments being different to the prospective investor's currency.**

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

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

In particular, each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

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

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

## **II. Risk factors relating to the Issuer and the legal structure**

### ***Risks related to the financial situation of the Issuer***

#### **The Issuer is a special purpose vehicle**

The Issuer is a special purpose vehicle with the sole business of issuing Notes. The Issuer has, and will have, no assets other than (i) the sums of money raised by issuing shares in relation to its incorporation, (ii) the proceeds of the issue of the Series of Notes, (iii) such fees (if any) as are payable to it in connection with the issue or redemption of any Series of Notes from time to time and (iii) any rights, property, sums or other assets into which the proceeds of the issuer of the Series of Notes are invested by the Issuer.

#### **Limited recourse obligations, non-petition and related risks in respect of the Issuer**

In respect of the Notes of any Series, the secured creditors ("**Issuer Secured Creditors**") will have recourse only to the Series Assets in respect of such Notes, subject to the security under the terms of the CA Pledge Agreement ("**Issuer Security**") and not to any other assets of the Issuer. If, following realisation in full of the Series Assets (whether by way of sale, liquidation or otherwise) and application of available cash in accordance with the applicable orders of priority and the CA Pledge Agreement, any outstanding claim against the Issuer in respect of the Series Assets remains unpaid, then such outstanding claim will be extinguished and no debt, liability or obligation will be owed by the Issuer in respect thereof. Following such

extinguishment, none of the Series Parties, the Noteholders of any relevant Series or any other person acting on behalf of any of them or any other person acting on behalf of any of them will be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation will be owed to any such persons by the Issuer in respect of such further sum.

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

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

No person other than the Issuer will be obliged to make payments on the Notes of any Series and the Notes issued under the Programme will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes (i) do not represent an interest in and will not be obligations of, or insured or guaranteed by, any Series Party or any Affiliate or any company associated with any of them, (ii) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme and (iii) are not insured or guaranteed by any government, government agency or other body.

#### **The claims of Noteholders are subordinated upon enforcement of the Issuer Security**

Following the enforcement of the security granted by the Issuer, the Collateral Agent will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by a CA Pledge Agreement in the applicable order of priority under which amounts due to the Noteholders will be subordinated to certain costs, fees, expenses including (but not limited to) the costs of enforcing and/or realising the security which are due to the Collateral Agent itself and any receiver(s), in each case in relation to the Notes.

#### **Preferred Creditors and Floating Charges**

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under applicable law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Liechtenstein law, upon an insolvency of a Liechtenstein company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors may take priority over the claims of creditors holding the relevant fixed security such as the Noteholders. These preferred claims include the remuneration, costs and expenses properly incurred by any trustee in bankruptcy of the company as well as costs and fees of service providers which the trustee in bankruptcy may instruct to continue work during a limited period of time.

#### ***Legal and regulatory risks***

##### **Regulation of the Issuer by any regulatory authority**

The Issuer is not required to be licensed or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There is no assurance, however, that regulatory authorities in one or more jurisdictions would not take a contrary view regarding the applicability of any such laws to the Issuer. The taking of a contrary view by such regulatory authority could have an adverse impact on the Issuer or the holders of the Notes.

##### **Recharacterisation risk**

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

### **III. Risk factors relating to the Notes**

#### **Risk relating to the Series Assets**

##### **Investment Discretion**

Prospective investors should be aware that each Series of Notes will not replicate precisely either the composition or the return of the relevant Index. When investing the assets, the Issuer may (i) invest, directly or indirectly, in digital assets that are not Component Digital Assets of the Index, and / or (ii) refrain from investing in digital assets that are Component Digital Assets of the Index, in exceptional circumstances where the Issuer believes that it can achieve better results by deviating from the Index. Therefore, the Digital Assets in respect of a Series may differ from the Component Digital Assets of the relevant Index, or may be afforded different weightings to those specified in the relevant Index.

##### **Concentration risk**

Each Series of Notes provides exposure to the Digital Assets which may comprise a limited number of digital assets. Due to this concentrated exposure to a limited number of digital assets, prospective investors should be aware that there are risks deriving from such concentration, the most significant of which is the impact on the liquidity and the volatility of the Notes.

In respect of liquidity, a concentrated exposure to a limited number of digital assets heightens the impact of the illiquidity of any such digital assets on the Notes – particularly during an environment with significant price declines.

Prospective investors should also be aware that exposure to digital assets has a high degree of idiosyncratic (i.e., digital assets-specific) risk, relative to a more diversified investment. Examples of idiosyncratic risk include, but are not limited to, regulatory risk, speculation, lack of track record, cybersecurity and fraud.

Furthermore, because each Note provides exposure to a limited number of digital assets, the potential impact of any adverse event in a given digital asset is more significant than in a diversified investment. Certain material adverse events in a digital asset could result in the eventual liquidation of a Note.

In addition, the Digital Assets may display a high degree of correlation such that large price movements in one component of the Digital Assets may result in similar price movements in one or more of the other Relevant Digital Assets, amplifying the concentration risk.

##### **The value of an investment in the Notes may not perfectly reflect or track the value of the Assets**

At any time, the price at which any Series of Notes trade on stock exchanges, regulated or unregulated markets within the EEA or abroad or any other exchange or market on which they may be quoted or traded may not reflect accurately the changes in the value of the Digital Assets or Assets. The application and redemption procedures for any Series of Notes and the role of the Authorised Participant(s) as market-makers are intended to minimise this potential difference. However, such price at which any Series of Notes trade will be a function of supply and demand amongst investors wishing to buy and sell such Series and the bid/offer spread that market-makers are willing to quote for such Series.

If the Issuer is unable to issue new Notes of a Series for any reason, and there is high market demand for Notes of such Series, then such Notes may trade at a significant premium to their Note Value. An investor who buys any such Notes in such circumstances may incur a significant loss should either market demand fall, or should further Notes of such Series be issued. Such significant loss can even occur where the Note Value has increased during the period of that investor's holding of such Notes.

See also "*The returns on the Notes are not a direct investment in the digital assets comprised in the applicable Index*" below.

##### **Investing in Notes is not the same as investing in the Assets, the Component Digital Assets or the relevant Index and is different from a long futures position.**

Investing in Notes is not the same as making an investment in the relevant Component Digital Assets of the relevant Index or the Purchaser Assets. The return from holding Notes is not the same as the return from buying the Component Digital Assets of the relevant Index or the Assets.

The return from holding Notes is not the same as the return generated from the relevant Index.

If it was possible to enter into a futures contract in respect of the Index, investing in the Notes would not be the same as taking a long position under such futures contracts.

**The returns on the Notes are not a direct investment in the digital assets comprised in the applicable Index**

The Index which is referenced by a Series of Notes will reference certain underlying digital asset(s) (being the Component Digital Assets of such Index). However, prospective investors should be aware that an investment in a Series of Notes is not the same as a direct investment in the Component Digital Assets of the Index which is referenced by such Series of Notes. As a result, changes in the price of the Component Digital Assets will not necessarily result in correlated changes in the level of the Index or to the Note Value, nor will the level of the Index or the Note Value necessarily change to the same degree. In addition, the rules for calculation of the Index may include deductions for fees, a currency hedging component and/or other factors that affect how closely the Index tracks the price of the asset(s) referenced by the Index and may also permit the Index Administrator to make certain adjustments to the level of the Index. Any such deductions and adjustments may cause the level of the Index to diverge from the price of the Component Digital Assets and / or the Note Price.

***Risks Relating to the Series Assets due to their quality as digital assets***

***Risks relating to Digital Asset Exchanges***

Digital asset exchanges operate websites on which users can trade digital assets for U.S. dollars and other fiat currencies. Trades on digital asset exchanges are unrelated to transfers of digital assets between users via the digital asset's respective blockchain. Digital asset trades on exchanges are recorded on the exchange's internal ledger only, and each internal ledger entry for a trade will correspond to an entry for an offsetting trade in U.S. dollars or other fiat currency. To sell digital assets on a digital asset exchange, a user will transfer digital assets (using the digital asset's respective blockchain) from him or herself to the digital asset exchange. Conversely, to buy digital assets on a digital asset exchange, a user will transfer U.S. dollars or other fiat currency to the digital asset exchange. After completing the transfer of digital assets or U.S. dollars, the user will execute his or her trade and withdraw either the digital asset (using the digital asset's respective blockchain) or the U.S. dollars back to the user. Digital asset exchanges are an important part of the digital asset industry.

Digital asset exchanges have a limited history. Since 2009, several digital asset exchanges have been closed or experienced disruptions due to fraud, failure, security breaches or distributed denial of service attacks (known as "DDoS Attacks"). In many of these instances, the customers of such exchanges were not compensated or made whole for the partial or complete losses of their funds held at the exchanges. In 2014, the largest bitcoin exchange at the time, Mt. Gox, filed for bankruptcy in Japan amid reports the exchange lost up to 850,000 bitcoin, valued then at over \$450 million. Digital asset exchanges are also appealing targets for hackers and malware. In August 2016, Bitfinex, an exchange located in Hong Kong, reported a security breach that resulted in the theft of approximately 120,000 bitcoin valued at the time at approximately \$65 million, a loss which was allocated to all Bitfinex account holders (rather than just specified holders whose wallets were affected directly), regardless of whether the account holder held bitcoin or cash in their account. In February 2017 following a statement by the People's Bank of China, China's three largest digital asset exchanges (BTCC, Huobi and OKCoin) suspended withdrawals of users' bitcoin. Although withdrawals were permitted to resume in late May 2017, Chinese regulators in September 2017 issued a directive to Chinese exchanges to cease operations with respect to Chinese users by September 30, 2017. In July 2017, the Financial Crimes Enforcement Network ("FinCEN") and the U.S. Department of Justice levied a \$110 million fine and an indictment against BTC-e and one of its operators for financial crimes. The Department of Justice also seized the Internet domain of the exchange. Similar to the outcome of the Bitfinex breach, losses due to assets seized by FinCEN were allocated among exchange users. The potential for instability of digital asset exchanges and the closure or temporary shutdown of exchanges due to fraud, business failure, hackers, DDoS or malware, or government-mandated regulation may reduce confidence in digital asset, which may result in greater volatility and/or price decreases in the Index and the Component Digital Assets.

***Risk Factors Related to Networks and Digital Assets***

The Issuer intends to invest in a portfolio of digital assets and investments related to digital assets. Because the class of digital asset investments is growing at a rapid pace, all risks relating to the underlying technology

may not be known. For instance, while bitcoin has existed since 2009 and its blockchain structure and function is well understood, the Issuer may invest in other digital assets which employ a variation of the bitcoin blockchain, use a new and functionally different blockchain or do not rely on blockchain technology at all. As new digital assets develop and attract interest from the development community and investors, they may also become greater targets for exploitation. A hack to one digital asset's network may harm public perception of such asset's network and other digital assets in general, thus negatively impacting an investment in the Notes. Digital assets, although generally open-source, are highly dependent on their developers, particularly at early stages, and there is no guarantee that development will continue or that the developers will not abandon the project with little or no notice. Additionally, some digital assets (and agreements to purchase digital assets) may be or become subject to the securities laws or other regulation in one or more jurisdictions, which may negatively impact the digital asset and have negative legal consequences and/or result in increased expenses for the Purchaser. Investments in digital assets are highly speculative and the Issuer may select digital assets for investment that are not successful.

**Digital assets are a new technological innovation with a limited history. There is no assurance that usage of digital assets will continue to grow.**

A contraction in use of digital assets may result in increased volatility or a reduction in the price of such digital assets, which could adversely impact the value of the Notes. For example, bitcoin, one of the earliest digital assets, was invented in 2009. Digital assets and their respective trading histories have therefore existed for a relatively short time, which limits a potential investor's ability to evaluate an investment in the Notes.

**A decline in the adoption of digital assets could negatively impact the performance of the Notes.**

As a new asset class and technological innovation, the digital assets industry is subject to a high degree of uncertainty. The adoption of digital assets will require growth in their usage and in the blockchain, for various applications. Adoption of digital assets will also require an accommodating regulatory environment. A lack of expansion in usage of digital assets and the blockchain could adversely affect an investment in the Notes. In addition, there is no assurance that any digital asset will maintain its value over the long-term. The value of any digital asset is subject to risks related to its usage. Even if growth in digital assets adoption occurs in the near or medium-term, there is no assurance that digital assets usage will continue to grow over the long-term. A contraction in use of digital assets may result in increased volatility or a reduction in the price of such digital assets or of digital assets generally, which would adversely impact the value of the Notes.

**Digital assets trading prices are volatile and investors could lose all or substantially all of their investment in the Notes.**

Speculators and investors who seek to profit from trading and holding digital assets generate a significant portion of the demand for such digital assets. Speculation regarding future appreciation in the value of digital assets may inflate and make more volatile the price of such digital assets. As a result, digital assets may be more likely to fluctuate in value due to changing investor confidence in future appreciation in the price of digital assets.

**Regulation of digital assets continues to evolve, which may restrict the use of digital assets or otherwise impact the demand for digital assets.**

Regulators and governments in various jurisdictions have focused on regulation of digital assets. Digital asset market disruptions and resulting governmental interventions are unpredictable, and may make digital assets or certain digital assets illegal altogether. Future regulations and directives in some jurisdictions may conflict with those others, and such regulatory actions may restrict or make some or all digital assets illegal in some jurisdictions. Future regulations and directives may impact the demand for digital assets, and may also affect the ability of digital assets exchanges to operate and for other market participants to enter into digital assets transactions. To the extent that future regulatory actions or policies limit or restrict digital asset usage, digital asset trading or the ability to convert digital assets to fiat currencies, the demand for digital assets may be reduced, which may adversely affect investment in the Notes. Regulation of digital assets continues to evolve, the ultimate impact of which remains unclear and may adversely affect, among other things, the availability, value or performance of digital assets and, thus, the Digital Assets and FDI in which the Issuer invests.

Moreover, in addition to exposing the Issuer to potential new costs and expenses, additional regulation or changes to existing regulation may also require changes to the Issuer's investment strategies. Although there continues to be uncertainty about the full impact of these and other regulatory changes, it is the case that the Issuer may be subject to a more complex regulatory framework, and incur additional costs to comply with new requirements as well as to monitor for compliance with any new requirements going forward.

**Demand for certain digital assets is driven, in part, by their status as the most prominent and secure digital assets. It is possible that a digital asset other than the digital assets to which the investor is exposed could have features that make such digital assets more desirable to a material portion of the digital asset user base, resulting in a reduction in demand for the digital assets to which the Purchaser is exposed, which could have a negative impact on the price of such digital assets and adversely affect an investment in the Notes.**

For example, the Bitcoin network and bitcoin, as an asset, hold a "first-to-market" advantage over other digital assets. This first-to-market advantage is driven in large part by having the largest user base and, more importantly, the largest combined mining power in use to secure the blockchain and transaction verification system. Having a large mining network results in greater user confidence regarding the security and long-term stability of a digital asset's network and its blockchain; as a result, the advantage of more users and miners makes a digital asset more secure, which makes it more attractive to new users and miners, resulting in a network effect that strengthens the first-to-market advantage. Bitcoin also enjoys significantly greater acceptance and usage than other digital asset networks in the retail and commercial marketplace, due in large part to the relatively well-funded efforts of payment processing companies including BitPay and Coinbase. Other digital assets to which the Purchaser is or may become exposed may enjoy similar advantages by virtue of their being among the older and more established digital assets.

Despite these advantages, it is possible that an altcoin (altcoin stands for alternative coin; altcoins are digital assets other than bitcoin) could become materially popular, relative to the digital assets to which the Purchaser is exposed, due to either a perceived or exposed shortcoming of the relevant Network protocol that is not immediately addressed by such digital assets' core developers or a perceived advantage of an altcoin that includes features not incorporated into such digital assets. If an altcoin to which the Purchaser is not exposed obtains significant market share (either in market capitalization, mining power or use as a payment technology), this could reduce the market share of the digital assets to which the Purchaser is exposed and have a negative impact on the demand for, and price of, such digital assets. The rules of the relevant Index for a Series of Notes may minimize this risk as they may result in an altcoin which gains in popularity being included in the Index.

### **Risk Factors relating to FDI**

The Assets of each Series may include financial derivative instruments ("FDI") which provide indirect exposure to the Digital Assets of the relevant Index of such Series. Accordingly, the Notes will be subject to the following risks which are applicable to FDI generally.

*Derivatives risk.* The risks associated with the use of FDI are different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Generally, a derivative is a financial contract the value of which depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to stocks, bonds, interest rates, currencies or currency exchange rates, commodities, and related indices. There is no assurance that any derivative strategy used by the Purchaser will succeed.

*Management risk.* FDI are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of FDI requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

*Liquidity risk.* Liquidity risk exists when a particular FDI is difficult to purchase or sell. If a derivative transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous time or price.

*Pricing risk.* Pricing risk exists when a particular FDI becomes extraordinarily expensive relative to historical



prices or the prices of corresponding cash market instruments. Under certain market conditions, it may not be economically feasible to initiate a transaction or liquidate a position in time to avoid a loss or to take advantage of an opportunity.

*Correlation risk.* Correlation risk exists when there is a lack of correlation between the change in the value of the underlying asset and that of the value of the derivative instruments used by the Issuer.

*Funding risk.* Funding risk exists when the capacity of the Issuer to fund the payment under an FDI is at risk due to higher funding costs or lack of cash flow.

*Market risk.* Like most other investments, FDI are subject to the risk that the market value of the instrument will change in a way detrimental to the Issuer's interests. While hedging strategies involving FDI can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favourable price movements in other portfolio investments.

*Settlement risk.* Derivative markets will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of the Issuer are uninvested and no return is earned thereon.

*Legal, regulatory and tax risk.* Legal, tax and regulatory changes applicable to FDI could occur which may adversely affect the Issuer. The regulatory and tax environment for FDI is evolving, and changes in the regulation or taxation of FDI may adversely affect the value of such instruments held by the Issuer and its ability to pursue its trading strategies.

## **Risks relating to the Indices**

### **Index Performance**

Prospective investors should note that the amount payable on the of the Notes of any Series will be linked to the performance of the Assets which will as far as possible and practicable consist of the component digital assets that comprise the Index referenced by that Series. Furthermore, each Series of Notes will seek to replicate, to the extent practicable the value and yield performance (before fees and expenses) of the relevant Index. Accordingly, prospective investors should be aware that the Notes may be adversely affected by risks applicable to indices generally.

In particular, the level of an Index can go down as well as up and that the past performance of an Index will not be indicative of its future performance. There can be no assurance as to the future performance of any Index. The Notes may trade differently from the performance of the Index and changes in the level of the Index may not result in a comparable change in the market value of the Notes or in the Note Value.

Accordingly, before investing in any Notes, prospective investors are advised to carefully consider whether an investment which seeks to replicate the value and yield performance of the applicable Index is suitable for them and in all cases an investor in Notes are advised to carry out its own detailed review of the applicable Index and the rules relating thereto.

### **Change in composition or discontinuance of the Index**

The Index Administrator may add, delete or substitute the Component Digital Assets of the Index or make other changes to the methodology for determining the asset(s) to be included in the Index or for valuing the Index.

The composition of the Index may therefore change over time to satisfy the eligibility criteria applicable to the Index or where asset(s) currently included in the Index fail to satisfy such criteria. Such changes to the composition of the Index by the Index Administrator may affect the level of the Index as a newly added asset may perform significantly worse or better than the asset it replaces. As the Note Value of the Notes is influenced indirectly by the composition and level of the Index, changes in the composition of the Index may have an adverse effect on the Note Value of the Notes and/or may constitute an Adjustment Event and/or result in a Disruption Event and/or the early redemption of the Notes.

The rules of the Index may confer on the Index Administrator in certain circumstances the right to make determinations, calculations, modifications and/or adjustments to the Index and the eligible components of the Index and related matters, which involve, in certain circumstances, a degree of discretion. The Index Administrator will generally, as far as reasonably practicable, exercise any such discretion with the aim of preserving the overall methodology of the relevant Index. The exercise of such discretion may result in the level of the Index on any day being different to that which it may have been had the Index Administrator not determined to exercise such discretion. Whilst the Index Administrator is typically required to act reasonably and in good faith in exercising its discretion, there can be no assurance that the exercise of any such discretion by the Index Administrator will not affect the level of the Index and/or alter the volatility of the Index and have an adverse effect on the Note Value of the relevant Series of Notes.

If the Index Administrator discontinues or suspends calculation or publication of the Index or fails to calculate or publish the level of an Index, under the terms of the Notes, the Index may, in certain circumstances, be substituted with a Successor Index or a Mandatory Redemption Event may occur resulting in the early redemption of the Notes. If the Index is replaced with a Successor Index, the relevant Noteholders will be exposed to fluctuations in the movements of the Successor Index and not the Index originally specified in the relevant Final Terms.

### **Conflict of Interest of the Index Administrator**

An Index Administrator is an affiliate of the Arranger and appropriate procedures have been implemented to avoid any conflicts of interest adversely affecting the interests of Noteholders. However, investors should be aware that no Index Administrator has had regard to the interests of the Noteholders when creating any Index, and no Index Administrator will have regard to the interests of the Noteholders when maintaining, modifying, rebalancing, reconstituting or discontinuing any Index. Actions taken by an Index Administrator in respect of an Index may have an adverse impact on the value or liquidity of the Notes of the relevant Series. The interests of an Index Administrator and the Noteholders of the relevant Series may not be aligned. No Index Administrator will have any responsibility or liability to Noteholders.

### **Risks relating to the liquidity of the Notes**

#### **Duration and potential lack of liquid markets**

The Notes may have a long term and the only means through which an investor will be able to realise value from a Note prior to its Final Redemption Settlement Date will be to sell it at its then market price in a secondary transaction. While each Authorised Participant appointed in respect of the Programme and/or a Series of Notes intends to make a market for the relevant Series of Notes in respect of which it is appointed as an Authorised Participant, no Authorised Participant is obliged to make a market for any Series of Notes (including any Series in respect of which it is appointed as an Authorised Participant) and an Authorised Participant may discontinue making a market at any time.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the Notes.

#### **Optional redemption**

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

Where the Issuer determines in its sole discretion that the market price of the Notes significantly differs or varies from the current value of the notes calculated by the Calculation Agent, Noteholders who are not Authorised Participants will be permitted, subject to compliance with relevant laws and regulations, to redeem directly from the Issuer. This may apply in cases of market disruption. In such situations, information will be communicated to the regulated market indicating that the Issuer is open for direct redemptions from Noteholders. Such secondary market investors wishing to redeem in such situations should contact the Issuing and Paying Agent for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such secondary market investors and in any event, the fees in respect of any such redemptions shall not be

excessive. The Issuer's agreement to accept direct redemptions when a secondary market disruption event occurs is conditional on the Notes being delivered back into the account of the Calculation and Issuing Agent. Such direct redemption requests shall only be accepted on delivery of the Notes.

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

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

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

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

## **Risks relating to the Issuer Security**

### **Enforcement of the Issuer Security**

The obligations of the Issuer in respect of a Series of Notes are secured by a CA Pledge Agreement in respect of such Series of Notes. Pursuant to such CA Pledge Agreement, the Issuer will create security in respect of that Series in favour of the Collateral Agent (for the benefit of the Issuer Secured Creditors) over (i) all of the Issuer's rights, title, interest and benefit present and future in, to and under the Series Documents to the extent that they relate to such Notes; (ii) any sums of money or other property received or receivable now or in the future by or on behalf of the Issuer pursuant to the Custody Agreement to the extent that they relate to such Notes, (iii) all of the Issuer's rights as against the Custodian relating to the Notes, (iv) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent and/or the Registrar) to meet payments due in respect of the obligations and duties of the Issuer under the CA Pledge Agreement and the relevant Notes, (v) the Series Assets and any sums of money or other property received or receivable now or in the future by or on behalf of the Issuer, and (vi) all of the Issuer's rights in respect of any sum or property now or in the future standing to the credit of the Series Account, in each case, to the extent that they relate to the relevant Notes.

### **Noteholders have no direct ownership interest or right to delivery of the Series Assets**

Investing in the Notes will not make an investor the owner of any of the Series Assets. Save to the extent that the Issuer and an Authorised Participant agree that a redemption is to be satisfied by an *in specie* transfer, any amounts payable on the Notes will be made in cash and the holders of the Notes will have no right to receive delivery of any of the Assets at any time.

#### **IV. Risks related to other Series Parties**

##### **Conflict of Interest**

The Arranger and Calculation Agent, who at the same time acts as the Collateral Agent, is an affiliate of the Issuer. Appropriate procedures have been implemented to avoid any conflicts of interest adversely affecting the interests of Noteholders.

However, investors should be aware that the Arranger and Calculation Agent has, in that capacity, no regard to the interests of the Noteholders when performing its services and pursuing its business activities. The interests of the Arranger and Calculation Agent and the Noteholders may not be aligned.

##### **VanEck (Europe) GmbH**

VanEck (Europe) GmbH acts in a number of capacities in respect of the Notes issued under the Programme including, without limitation, as Arranger and Calculation Agent and Collateral Agent.

VanEck (Europe) GmbH acting in such capacity in connection with the Notes will have only the duties and responsibilities expressly agreed to in agreements with the Issuer governing such function and will not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided for in the respective agreements. VanEck (Europe) GmbH may enter into business dealings, from which it may derive revenues and profits without any duty to account therefor.

##### **Calculation Agent**

In its role as Calculation Agent under the Notes, VanEck (Europe) GmbH will, pursuant to the provisions of the Calculation Agency Agreement, the Agency Agreement, the Operating Procedures Agreement and the Conditions, make various non-discretionary calculations, that affect the Notes, including calculating, among other things, the Note Value and the Redemption Amount. The value of the Notes could be adversely affected by such calculations. In making such calculations the Calculation Agent will depend upon timely and accurate provision of information and certain constituent values of the relevant formulae which are provided to the Calculation Agent by various parties, including the relevant Index Administrator and the Issuer. Any consequent variation in the value of the amounts required to be calculated by the Calculation Agent could result in a change to value of the Notes.

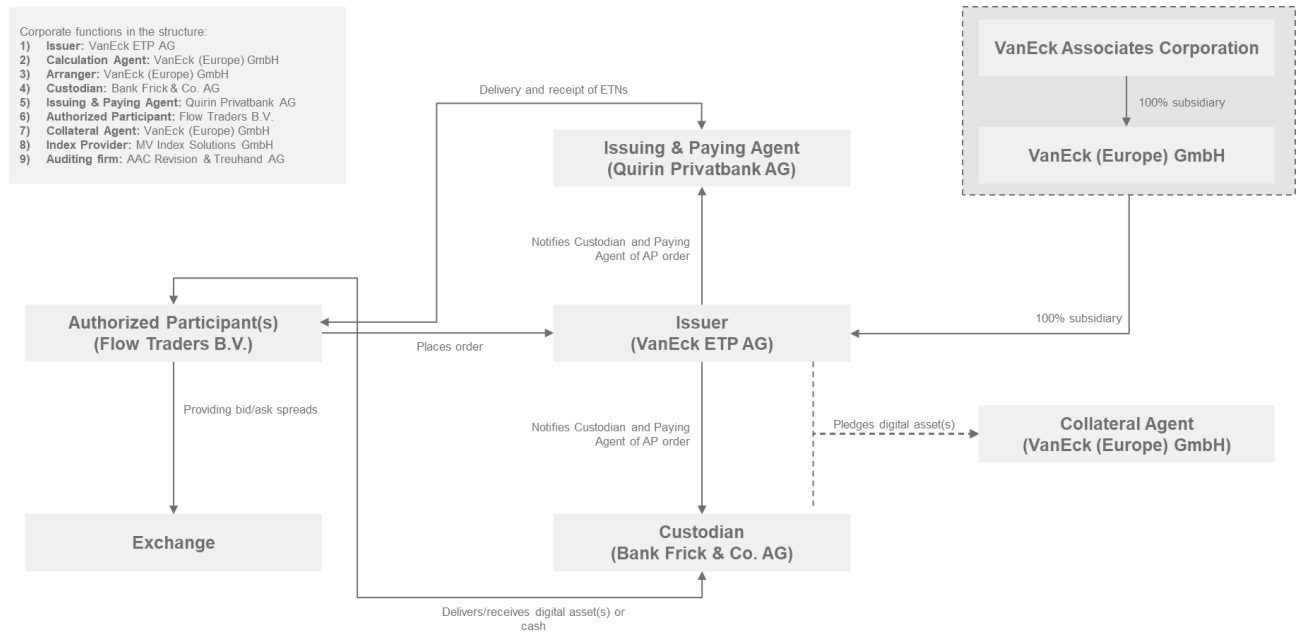
## DESCRIPTION OF THE PROGRAMME

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

### Description of the Programme

VanEck Vectors Exchange Traded Note Programme pursuant to which the Issuer may issue collateralised exchange traded securities (“Notes”) which seek to replicate, to the extent practicable the value and yield performance (before fees and expenses) of indices providing exposure to digital assets.

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



## **Parties to the Programme**

<b>Issuer</b>	VanEck ETP AG (“VEEA”), having its registered office at Landstrasse 36, 9495 Triesen, Liechtenstein, a society limited by shares and incorporated in Liechtenstein with registered number FL-0002.640.173-8.
<b>Arranger and Calculation Agent</b>	VanEck (Europe) GmbH, Kreuznacher Strasse 30, 60486 Frankfurt, Germany, a limited liability company incorporated in Germany with registered number HRB 85306.
<b>Custodian and Safekeeper</b>	Bank Frick & Co AG, Landstrasse 14, 9496 Balzers, Principality of Liechtenstein
<b>Collateral Agent</b>	VanEck (Europe) GmbH, Kreuznacher Strasse 30, 60486 Frankfurt, Germany, a limited liability company incorporated in Germany with registered number HRB 85306.
<b>Issuing and Paying Agent</b>	Quirin Privatbank AG, Bürgermeister-Smidt-Straße 76, 28195 Bremen, Germany
<b>Paying Agents</b>	The Issuer may appoint additional paying agents in relation to a Series of Notes if required by the rules of any stock exchange on which Notes are listed or admitted to trading.
<b>Authorised Participant(s)</b>	<p>Flow Traders B.V., Jacob Bontiusplaats 9, Amsterdam 1018 LL, the Netherlands, and any Eligible Authorised Participant that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the Operating Procedures Agreement.</p> <p>Only an Authorised Participant may subscribe for or require the Issuer to repurchase the Notes (except in case of Optional Redemption).</p> <p>The Issuer intends to make application to stock exchanges and regulated or unregulated markets including multilateral trading facilities within the EEA or abroad for certain Series of Notes issued on the basis of this Base Prospectus to be admitted to trading. The Notes may be bought and sold on such exchanges without the involvement of an Authorised Participant.</p> <p><b>“Eligible Authorised Participant”</b> means any bank or financial institution (which for these purposes shall include any leading dealer or broker in the assets of the type referenced by the Notes) incorporated, domiciled and regulated in the EEA.</p>
<b>Public Offers</b>	<p>If so specified in the Final Terms in respect of any Series of Notes, the Issuer consents to the use of the Base Prospectus by any Authorised Participant in connection with any offer of Notes that is not within an exemption from the requirement to publish a prospectus under the Prospectus Regulation (a <b>“Non-exempt Offer”</b>) during the offer period specified in the relevant Final Terms (the <b>“Offer Period”</b>), in the relevant Member State(s) and subject to the applicable conditions, in each case specified in the relevant Final Terms.</p> <p>The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.</p>

<b><i>The Programme</i></b>	As of 19. October 2020, the Issuer established the VanEck Vectors Exchange Traded Note Programme (the “ <b>Programme</b> ”) for the issuance of collateralised exchange-traded securities (“ <b>Notes</b> ”). The maximum number of Notes that may be outstanding at any time under the Programme is 1,000,000,000.
<b><i>Issuance of Series of Notes</i></b>	The Issuer may issue Series of Notes under the Programme (each a “ <b>Series</b> ”). Each Series of Notes constitutes limited recourse obligations of the Issuer, secured on and payable solely from the Series Assets in respect of such Series.  If the net proceeds of the enforcement of the Series Assets for a Series of Notes are not sufficient to make all payments due in respect of such Series of Notes (after payment of all obligations of the Issuer ranking senior thereto), no other assets of the Issuer (including the Series Assets in respect of any other Series of Notes) will be available to meet such shortfall and the claims of the creditors of the Issuer in respect of such Series and such shortfalls shall be extinguished.
<b><i>Method of issuance</i></b>	Notes will be issued in Series on an ongoing basis.
<b><i>In Specie Subscription</i></b>	In relation to any Subscription Order, the Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with the relevant Authorised Participant that the obligation of the Authorised Participant to pay the relevant subscription amount (the “ <b>Relevant Subscription Amount</b> ”) shall be satisfied by the delivery to the Issuer of component digital assets which the Calculation Agent determines have a value on the Subscription Trade Date, after taking into account any costs of transfer or delivery, which is equal to the Relevant Subscription Amount.
<b><i>Continual issuance and redemption</i></b>	It is intended that the Notes of each Series shall be subject to a continual issuance and redemption mechanism, under which additional Notes of such Series may be issued and Notes may be redeemed by Noteholders who are Authorised Participants.
<b><i>Principal features of the Notes</i></b>	
<b><i>Form of the Notes</i></b>	The Notes will be issued in global bearer form and serially numbered or in dematerialised uncertificated registered form which shall not be exchangeable for bearer securities, in each case in the amount and currency of denomination specified in the applicable Final Terms.
<b><i>Terms and Conditions of the Notes</i></b>	Each Series of Notes will be issued subject to terms and conditions in the form and with the contents as set out in the section of this Base Prospectus headed “ <i>Terms and Conditions of the Notes</i> ” as completed by the Final Terms in respect of each Series.
<b><i>Issue Price</i></b>	The Issue Price in respect of each Series of Notes will be set out in the Final Terms with respect to such Series.
<b><i>Principal Amount</i></b>	The Principal Amount in respect of each Series of Notes will be set out in the Final Terms with respect to such Series.
<b><i>Denomination</i></b>	The Denomination of each Note is equal to its Principal Amount.
<b><i>Interest</i></b>	The Notes will not bear interest at a prescribed rate.

<b>Redemption at maturity</b>	Unless previously redeemed in whole or purchased and cancelled by the Issuer, the Notes of each Series will become due and payable on their Final Redemption Settlement Date at their Final Redemption Amount in the Relevant Currency.
<b>Final Redemption Settlement Date</b>	The Final Redemption Settlement Date in respect of a Series of Notes will be the day that falls three Currency Business Days after the Final Redemption Date.
<b>Final Redemption Date</b>	The Final Redemption Date in respect of each Series of Notes will be set out in the Final Terms with respect to such Series. The Final Redemption Date may be extended by the Issuer for periods of up to 10 years for each extension. Any such extension must be notified to the Noteholders at least one month in advance of the then current Final Redemption Date.
<b>Final Redemption Amount</b>	<p>An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's <i>pro rata</i> share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Final Redemption Amount:</p> <ul style="list-style-type: none"> <li>(i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and</li> <li>(ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.</li> </ul>
<b>Mandatory Redemption</b>	The Notes of a Series may fall for mandatory redemption prior to their Final Redemption Date at the Mandatory Redemption Amount if a Mandatory Redemption Event occurs.
<b>Mandatory Redemption Events</b>	<p>The Notes of a Series may fall for mandatory redemption if any of the following events occur:</p> <ul style="list-style-type: none"> <li>(1) the Issuer determines that it is not appropriate to make adjustments to the Conditions of the Notes following the occurrence of an Adjustment Event (meaning an Index Cancellation, and Index Modification or an Index Disruption), thereby triggering a Disruption Redemption Event;</li> <li>(2) any of the Calculation Agent, the Issuing and Paying Agent, the Custodian and/or all of the Authorised Participants in relation to the Notes resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect;</li> <li>(3) (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation, the Issuer gives notice that the Notes of a Series are to be redeemed, because</li> </ul>



(i) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under such Notes; or

(ii) it would become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Series Asset, and/or (y) perform its obligations under the Notes.

or

(4) the Issuer exercises its option to call all or some of the Notes for early redemption.

***Mandatory Redemption Amount***

An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Mandatory Redemption Amount:

(i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and

(ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

***Optional Redemption by Noteholders who are Authorised Participants***

A Noteholder who is also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or part of its holding of Notes of a Series at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order.

***Optional Redemption by Noteholders who are not Authorised Participants***

A Noteholder who is not also an Authorised Participant may on any Valuation Date require the Issuer to redeem all or any part of its holding of such Notes at the Optional Redemption Amount on the relevant Optional Redemption Settlement Date by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the Noteholders in accordance with Condition 16 in respect of any Valuation Date that redemption requests from Noteholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered.

***Optional Redemption Amount***

An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Optional Redemption Amount:

(i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and

(ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

***In Specie Redemption***

The Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures

Agreement agree with any Noteholder which is also an Authorised Participant that any requests for the Optional Redemption of any Notes shall be satisfied by the transfer to, or to the order of, such Noteholder on the Optional Redemption Settlement Date of Assets with a value on the related Optional Redemption Pricing Date determined by the Calculation Agent to be equal to the Optional Redemption Amount.

***Noteholder's exposure to the daily performance of the applicable Index***

The return on each Series of Notes will be linked to the value of the portfolio of Series Assets for such Series, as the Final Redemption Amount, Mandatory Redemption Amount or Optional Redemption Amount of each Note will be determined on the basis of the value of the Series Assets backing the relevant Series of Notes. The Assets will be selected and managed by the Issuer in order to replicate, to the extent practicable the value and yield performance (before fees and expenses) of the relevant Index. Therefore, Noteholders will be indirectly, partially exposed to the daily performance of the Index in respect of the Series.

***Assets***

Each Series of Notes will be secured by a portfolio held by the Issuer and consisting of:

(A) digital assets (the "**Digital Assets**") that:

- (i) are component digital assets of an index (the "**Index**", and the digital assets that comprise such Index, the "**Component Digital Assets**"); and/or
- (ii) at the time of their purchase are not Component Digital Assets but that are expected by the Issuer to be included in the Index at the time of the next Index rebalancing ("**Other Digital Assets**"); and / or

(B) financial derivative instruments that provide indirect exposure to the relevant Index or to the Digital Assets (the "**Purchaser FDI**").

(C) any cash held by the Issuer in respect of such Series. The Issuer may also invest on an ancillary basis in deposits with credit institutions.

***Index***

In respect of any Series of Notes, the index specified in the relevant Final Terms (see the sections of this Base Prospectus headed "*Description of the Indices*").

The Index in respect of a Series of Notes will be specified in the Final Terms for the Series, and may reference one or more Component Digital Assets. Each Series of Notes will seek to replicate, to the extent practicable, the value and yield performance (before fees and expenses) of the relevant Index.

***Investment Approach***

The Issuer's investment approach is to attempt to approximate the investment performance of the Index. The Issuer could (i) invest, directly or indirectly, in digital assets that are not Component Digital Assets of the relevant Index, and / or (ii) refrain from investing in digital assets that are Component Digital Assets of the Index, in exceptional circumstances where it

believes that it can achieve better results by deviating from the Index.

**Series Assets**

The Assets held by the Issuer on the Series Account with the Custodian or held by the Paying Agent for and on behalf of the Issuer and referenced by a Series of Notes and securing such Series of Notes on the basis of the CA Pledge Agreement between the Issuer and the Collateral Agent.

**Limited assets for repaying obligations**

The Issuer's obligations in respect of a Series of Notes will be limited to the value of the Series Assets backing the respective Series of Notes. The Issuer will invest the proceeds of the issuance of each Series of Notes in the Series Assets.

The only funds available to the Issuer to pay the amounts due in respect of the redemption of any Note will be proceeds of the realisation of a portion of the Series Assets (after a *pro rata* deduction of all fees and expenses payable by the Issuer and including for such purpose any costs and expenses incurred by the Issuer in connection with the liquidation of the Series Assets or the realisation of such Series Assets).

**Events of Default**

If:

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

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

**Limited recourse**

In respect of the Notes of any Series, the Series Parties and the Noteholders shall have recourse only to the Series Assets in respect of such Notes, subject always to the Issuer Security, and not to any other assets of the Issuer. If, following realisation in full of the Series Assets (whether by way of liquidation or

enforcement) and application of available cash sums as provided in the Conditions any outstanding claim against the Issuer in respect of the Issuer obligations remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, none of the Series Parties, the Noteholders of any relevant Series or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt, liability or obligation shall be owed to any such persons by the Issuer in respect of such further sum.

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

***Governing law of Notes***

Each Series of Notes, Series Documents relating to the Notes and this Base Prospectus will each be governed by German law.

***Listing and admission to trading***

The Issuer intends to make application to stock exchanges and regulated or unregulated markets including multilateral trading facilities within the EEA or abroad for certain Series of Notes issued on the basis of this Base Prospectus to be admitted to trading.

***Selling and transfer restrictions***

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

***Series Account***

An account established with Bank Frick & Co AG in the name of the Issuer for the purpose of holding the Series Assets and all distributions received by or on behalf of the Issuer in respect of the Series Assets, and all proceeds of the Series Assets, whereby separate accounts shall be established for each Series of Notes.

***Custody of Digital Assets***

The Issuer digital wallets are principally maintained by the Custodian.

A small portion of the Digital Assets may be held on digital wallets maintained by digital asset exchanges. The Issuer will maintain separate wallets with respect to Digital Assets referenced by each Series of Notes.

***Security for the Notes***

In respect of the Notes of each Series, the obligations of the Issuer shall be secured by the Issuer Security constituted by the CA Pledge Agreement relating to such Series.

Pursuant to the CA Pledge Agreement relating to a Series of Notes, in respect of that Series the obligations of the Issuer

under the Notes shall be secured by a charge in favour of the Collateral Agent, for the benefit of the Noteholders, on:

(i) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent) to meet payments due in respect of the obligations and duties of the Issuer under the CA Pledge Agreement and the Notes and all rights and claims of the Issuer relating to such sums,

(ii) the Series Assets and any sums of money or other property received or receivable now or in the future by or on behalf of the Issuer from or in context with the Series Assets and all rights and claims of the Issuer with regard to the Series Assets and such sums or property,

(iii) all of the Issuer's rights and claims as against the Custodian, relating to the Notes, and

(iv) all of the Issuer's rights and claims in respect of any sum or property now or in the future standing to the credit of the Series Account,

in each case, to the extent that they relate to such Series of the Notes.

### ***Settlement and clearing***

A Series of Notes may, subject to all applicable legal and regulatory requirements, be issued in Series comprising of Bearer Securities or in dematerialised uncertificated registered form.

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

## ECONOMIC OVERVIEW OF THE NOTES

### **Overview of the Notes**

The Issuer may from time to time issue collateralised exchange traded securities under the Programme, that seek to provide exposure to one or more digital assets on the terms set out in this Base Prospectus in the section headed "Terms and Conditions of the Notes", as completed in respect of each Series of Notes by the Final Terms relating to such Notes.

The Issuer has been specifically set up as an SPV in order to issue the Notes under the Programme with the purpose to raise assets to be invested as set forth below.

The return on each Series of Notes is intended to replicate, to the extent practicable, the value and yield performance (before fees and expenses) of the relevant Index. The Note Value will reflect the value of the - Series Assets for each Series of Notes in which the Issuer will invest the proceeds of the issue of such Series of Notes. The Series Assets shall be selected and managed by the Issuer in order to replicate (to the degree practicable) the value and yield performance of the Index referenced by that Series.

### **Note Value**

The Note Value will be calculated on each Business Day (that is not a Disrupted Day) by the Calculation Agent and reflect the value of the Series Assets in respect of a Series of Notes and will take into account all applicable fees and expenses.

On the Issue Date of a Note, the Note Value will be equal to its Issue Price. On any Valuation Date thereafter (which is not a Disrupted Day), the Note Value is calculated as the Note Value on the immediately preceding Valuation Date adjusted by the percentage change in the value of the Series Assets (net of any Costs and Expenses) since such preceding Valuation Date.

**"Costs and Expenses"** means in respect of a Series of Notes, the total fees, expenses and other liabilities (other than the liabilities represented by the Notes) payable, and/or accrued and/or estimated to be payable by the Issuer in respect of such Series.

### **Pricing Sources and Valuation Methodology**

#### **Valuation Guidelines**

##### **a) Calculation Agent**

The Calculation Agent, VanEck (Europe) GmbH, will be responsible for calculating the value of the underlying assets as well as determining the price at which the Notes are subscribed and redeemed. The Calculation Agent recognises that reliable valuation is also of critical importance for determining the price at which Notes are purchased and sold by investors on the exchanges on which the Notes are traded and the price at which the Notes are subscribed for and redeemed.

##### **b) Valuation Policy**

From an organizational perspective the Calculation Agent will implement robust pricing policies and procedures to value the digital assets. These policies and procedures address the considerations which are specific to digital assets. These additional considerations include the globally fragmented nature of the markets for digital assets, the "24/7" nature of the digital asset industry and, as described below, the possibility of forks arising in the blockchain. While the Calculation Agent will retain overall responsibility for the calculation of the valuations, it may from time to time outsource elements of the calculation function and may also rely upon information provided by pricing data providers such as Crypto Coin Comparison Limited ("CryptoCompare"). The Calculation Agent will monitor the performance of the pricing data providers in accordance with its internal policies.

##### **c) Valuation Outsourcing**

As a key element in the valuation process, the administrator of the Relevant Index (MV Index Solutions GmbH) and the pricing data provider (Crypto Coin Comparison Limited) will be contractually obliged to provide to the Calculation Agent all public information on the prices, liquidity and total number of units of the relevant digital assets. The Calculation Agent is in control of selecting and engaging the relevant index and pricing data providers. The pricing policies and procedures of the Calculation Agent will specifically address

how significant events relevant to the valuation of digital assets will be dealt with. As an important example, the policies will specify how and when forks will be considered for valuation. A fork is defined as an event where a blockchain for a digital asset diverges into different paths. A fork could result in different digital assets with potentially different prices. The Note aims to follow the Index treatment at all times insofar possible and practical. The specifics of different types of digital assets and their related potential impact on the valuation will be dealt with by a pricing committee established by the Calculation Agent.

The Series Assets shall be valued as follows:

- (A) Digital Assets will be valued based on the value calculated by Crypto Compare as at the relevant Valuation Point. This value will be the 60 minute volume weighted average price (“vwap”) prior to the Valuation point. The real time prices calculated by CryptoCompare, that are the input for calculating the 60 minute *vwap*, are based on:
- (i) Traded prices from covered exchanges;
  - (ii) 24-hour liquidity weights; and
  - (iii) A “liquidity penalty”.

At any time the real time price for a Digital Asset is the weighted average of prices on all covered exchanges (included exchanges can be found under [www.cryptocompare.com](http://www.cryptocompare.com)), where the weight belonging to an exchange is the ratio of the 24 hour trading volume to the total trading volume on all covered exchanges. The traded volume on each covered exchange is adjusted with a liquidity penalty factor that depends on the time since the last trade.

- (B) FDI that are dealt on a Regulated Market shall be valued at the settlement price as at the Valuation Point as determined by the relevant Regulated Market, provided that where it is not the practice of the relevant Regulated Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments shall be valued at their probable realisation value estimated with care and in good faith by the Calculation Agent.
- (C) Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Calculation Agent any adjustment should be made to reflect the fair value thereof.

### **Factors affecting the Note Value and the market value of the Notes**

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

- i. the performance of the Series Assets for that Series. The value of the Series Assets for a Series will vary depending on global and regional economic performance, market sentiment, borrowing and lending rates, the liquidity of the Series Assets and any other factors that may affect the ability of a holder of such Series Assets to value or sell their holding;
- ii. the level of the fees and expenses taken into account when calculating the Note Value; and
- iii. the occurrence of a Disruption Event, an Adjustment Event or a change in law.

General movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of the Notes.

While the level of the Index is not used in the calculation of the Note Value, changes in the level of the Index may be reflected by similar changes in the value of the Series Assets.

The market price of the Notes may also be affected (directly or indirectly) by a number of factors, including, but not limited to:

- (i) the value and volatility of the Component Digital Assets of the Index referenced by the Notes and the Series Assets;
- (ii) market perception, interest rates, yields and foreign exchange rates;

- (iii) whether or not any market disruption is subsisting;
- (iv) the nature and value of the Series Assets relating to such Series of Notes;
- (v) the creditworthiness of the Custodian and the Authorised Participants; and
- (vi) any fees or execution costs applicable to subscriptions for or redemptions of the Notes; and
- (vii) the liquidity in the Notes.

The Note Value and the secondary market price of the Notes can go down as well as up throughout the term of the Notes.

Certain indices may be more volatile than other indices, and the secondary market price of the Notes which reference such index may demonstrate similar volatility. Prospective investors should be aware that the Note Value and market price of any Notes on any Valuation Date may not reflect their prior or future performance.

There can be no assurance as to the future value and market price of the Notes. See the section of this Base Prospectus headed "Risk Factors" for a description of certain of the risks associated with an investment in Notes.

### **Issue Price**

The Issue Price in respect of a Series of Notes will be specified in the Final Terms relating to such Series.

### **Use of issue proceeds**

The net proceeds of issuance of each Series of Notes on the Issue Date of such Series will be invested in the Series Assets in order to replicate, to the extent practicable the value and yield performance (before fees and expenses) of the relevant Index.

### **Interest on the Notes**

The Notes do not bear interest at a prescribed rate.

### **Amount payable on the maturity of the Notes**

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

An amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Final Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5.

### **Early redemption**

If an Event of Default occurs in respect of a Series of Notes, each Note of such Series will become immediately due and payable at its Final Redemption Amount, subject to the Issuer having sufficient funds available, after applying the proceeds of the liquidation of the Series Assets in paying all senior amounts due in accordance with the applicable orders of priority, to pay such amounts in full.

### **Optional redemption of Notes by Noteholders**

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



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

A Noteholder of any Series which is not also an Authorised Participant may require the Issuer to redeem all or any part of its holding of such Notes at the Optional Redemption Amount only if the Issuer has notified the Noteholders in accordance with Condition 16 in respect of any Valuation Date that redemption requests from Noteholders which are not Authorised Participants will be permitted and no later notice to the contrary has been delivered.

Any Note that is subject to Optional Redemption in accordance with Condition 8.2 of the Terms and Conditions of the Notes will become due and payable on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount, being an amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Optional Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

### **In Specie Redemption**

The Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with any Noteholder which is also an Authorised Participant that any requests for the Optional Redemption of any Notes shall be satisfied by the transfer by the Issuer to, or to the order of, such Noteholder on the Optional Redemption Settlement Date of Series Assets with a value on the related Optional Redemption Pricing Date determined by the Calculation Agent to be equal to the Optional Redemption Amount.

### **Mandatory redemption**

If a Mandatory Redemption Event occurs in respect of a Series of Notes, each Note of such Series will become due and payable on the Mandatory Redemption Settlement Date at its Mandatory Redemption Amount. To the extent that the Mandatory Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

### **Funding of payments due to the holders of the Notes**

**The Issuer will fund any payment(s) due to the holder of a Note (including, for the avoidance of doubt, any Final Redemption Amount, Optional Redemption Amount or Mandatory Redemption Amount due in respect of such Note) from the realisation of the Series Assets relating to the respective Series of Notes. The Issuer's ability to pay to the holder of a Note any amounts due in respect of such Note is entirely dependent on the success in realisation of the Series Assets for the respective Series.**

**If, following the realisation in full of the Series Assets relating to a Series of Notes there are any outstanding claims against the Issuer in respect of such Series of Notes, then such outstanding claims will be extinguished and no debt will be owed by the Issuer in respect thereof.**

### **Taxation and no gross-up**

Each Noteholder will assume and be solely responsible for any and all Taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local Taxes or other like

assessment or charges that may be applicable to any payment to it in respect of the Notes. In the event that any withholding or deduction for or on account of Tax is imposed on payments on the Notes, the Noteholders will be subject to such Tax or deduction and will not be entitled to receive amounts to compensate for such withholding or deduction. No Event of Default will occur as a result of any such withholding or deduction.

Transfers and liquidations of Series Assets by the Issuer may be subject to charges, withholding or deduction for, or on account of, Taxes. In such circumstances the sums available to the Issuer to pay the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount may not be sufficient to satisfy in full the claims of the Noteholders and all creditors whose claims rank in priority to those of the Noteholders.

### **Fees and Expenses**

A subscription or redemption fee may be charged by the Issuer to Authorised Participants in respect of any subscription or redemption orders for Notes. The level of the subscription or redemption fee in respect of any Series of Notes will be specified in the Final Terms for such Series.

## DESCRIPTION OF THE SERIES ASSETS

Each Series of Notes will seek to replicate, to the degree practicable the value and yield performance (before fees and expenses) of an index (the “**Index**”) which may reference one or more digital assets (the “**Component Digital Assets**”). The relevant Index in respect of a Series of Notes will be specified in the Final Terms for the Series.

### The Series Assets

The Series Assets in respect of each Series of Notes will be the proceeds of the issue of such Series of Notes as invested by the Issuer. The proceeds of the issue of each Series of Notes will be applied by the Issuer to replicate as close as possible the performance of the Index by acquiring:

- (A) digital assets (the “**Digital Assets**”) that:
  - (i) are Component Digital Assets of the relevant Index; and/or
  - (ii) at the time of their purchase are not Component Digital Assets but that are announced by the Index Provider to be included in the Index at the time of the next rebalancing (“**Other Digital Assets**”); and / or
- (B) financial derivative instruments that provide indirect exposure to the relevant Digital Assets (the “**FDI**”).

(the assets at (A) and (B) acquired by the Issuer with the proceeds of the issue in respect of any Series of Notes together with any cash held by the Issuer or by the Issuing and Paying Agent for and on behalf of the Issuer in respect of such Series, the “**Series Assets**”).

### Digital Assets

A description of digital assets generally together with a description of a selection of digital assets is included in the section of this Base Prospectus entitled *Description of the Digital Assets*.

### FDI

FDI may be used by the Issuer only in exceptional circumstances where this is more cost efficient or more secure to gain the exposure than through a direct investment. FDIs may consist of futures contracts that are derived from the Component Digital Assets and which are exchange-listed derivatives and traded on an exchange which is established in any member state of the European Union or in a member country of the OECD (a “**Regulated Exchange**”).

### Borrowings

The Issuer may, in respect of each Series of Notes, borrow money in an amount of up to 10% of the aggregate Note Value of the Notes of such Series at any time and may charge the digital assets of the Series as security for any such borrowing, provided that such borrowing is only for temporary purposes.

### Investment Approach

The Issuer will seek to invest directly (and where required during exceptional market conditions - indirectly) in a portfolio of digital assets that, as far possible and practicable will consist of the Component Digital Assets that comprise the Index. The Issuer does not intend to use an entirely “passive” or indexing investment approach but will attempt to approximate the investment performance of the Index.

Due to the practical difficulties and expense of purchasing the current components and future components in the Index, the Issuer may not purchase all of the Component Digital Assets of the Index. Instead, the Issuer may utilise a “sampling” methodology for the Series if so allowed according to the Final Terms for such Series. As such, the Issuer may purchase a subset of the Component Digital Assets in the Index and/or digital assets which have a similar risk and return profile as the Component Digital Assets in an effort to hold a portfolio of digital assets with generally the same risk and return characteristics.

If and to the extent that this is allowed according to the Final Terms, the Issuer also may, in exceptional circumstances such as the unavailability of certain digital assets due to but not limited to transaction backlogs, distributed denial of service or other cyber attacks on the blockchain, etc, invest in Other Digital Assets that it believes closely reflect the risk and return characteristics of digital assets of the Index.

The representative sampling approach which may be used by the Issuer if so allowed according to the final Terms for a Series seeks to build a representative portfolio of Series Assets that provides a return comparable to that of the Index. Consequently, the Issuer will, in respect of a Series of Notes, from time to time hold only a subset of the Component Digital Assets of the relevant Index. The digital assets held by the Issuer in respect of a Series, representing a subset of all Component Digital Assets in the Index, will generally have the characteristics of the Index and are chosen with the intention of replicating the performance of the Index with a predicted level of tracking error.

The Issuer may invest in ancillary assets which may include deposits with credit institutions and FDI for efficient portfolio management as described below.

### **Efficient Portfolio Management**

The Issuer will generally invest the proceeds of the sale of the Notes into a portfolio of digital assets. The Issuer may at times of disruptions and inefficiencies in the digital asset markets also invest in FDIs derived from the Component Digital Assets for efficient portfolio management or hedging purposes. The use of FDIs for the purpose of efficiently gaining exposure to digital assets and/or to reducing risk may be used exceptionally. This may on occasion lead to an increase in risk profile of the relevant Series of Notes or result in a fluctuatio in the expected level of volatility.

## DESCRIPTION OF THE INDICES

The information in this section of the Base Prospectus has been extracted from public information and information published by the Index Administrator and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The websites set out below and their contents do not form part of this Base Prospectus. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer or any other Series Party that the information contained therein is correct at any time subsequent to the date of this Base Prospectus.

Purchasers of Notes are advised to conduct such independent investigation and analysis regarding the Indices, the relevant Index Administrators and all other parties connected to the Indices from time to time as they deem appropriate to evaluate the merits and risks of an investment in the Notes.

### Applicable Index

The Final Terms for each Series of Notes will specify the Index which is applicable to that Series.

As at the date of this Base Prospectus, the following Indices may be referenced by one or several Series of Notes.

### MVIS CryptoCompare Bitcoin VWAP Close Index (“MVBTCV”)

#### *Index Description*

MVBTCV is a rules based, modified capitalization weighted index intended to give investors a means of tracking the overall performance of the leading digital asset regarding size, liquidity, legitimacy/quality and infrastructure. The intraday price, which is disseminated every 15 seconds, is based on a methodology which collects prices from several digital assets exchanges and weights them based on their liquidity. The closing price, disseminated at 16:00:00 PM CET is a volume weighted average of the last 60 minutes prior to close. Further information about MVBTCV e.g. with regards to the index methodology and changes of the index may be found on [www.mvis-indices.com](http://www.mvis-indices.com).

As of December 01, 2019 the index included one digital asset, namely bitcoin.

#### *Index Provider*

MVBTCV is the exclusive property of MV Index Solutions GmbH (“**MVIS**”), having its registered office at Kreuznacher Strasse 30, 60486 Frankfurt am Main, Germany, a wholly owned subsidiary of the Van Eck Associates Corporation, having its registered office at 666 3<sup>rd</sup> Avenue, 10017 NY, NY, the United States of America, which has contracted with CryptoCompare to maintain and calculate the MVIS CryptoCompare Bitcoin Index. CryptoCompare uses its best efforts to ensure that the index is calculated correctly. Irrespective of its obligations towards MVIS, CryptoCompare has no obligation to point out errors in the index to third parties.

#### *Index Rebalancing*

MVBTCV is reconstituted and rebalanced monthly.

The rebalancing follows the defined Review procedure by the Index Provider:

The reviews for all indices are based on the (adjusted) closing data on the fifth but last business day in that month. If a digital asset does not trade on a business day, then the last available price for this digital asset will be used.

A “business day” means any day (other than a Saturday or Sunday) on which commercial banks are open for business in Frankfurt, Germany.

Adjustments to constituents will be announced four business days prior to the first business day of the next month at 23:00 CET.

Indices are rebalanced at 16:00:00 CET of the last trading day in each month.

**The above is a summary of the rules of MVBTCV only. The complete set of rules of MVBTCV and information on the performance of such Index are freely accessible on the Index Administrator's website: [www.mvis-indices.com](http://www.mvis-indices.com).**

### **Benchmark Regulation**

Under Regulation (EU) 2016/1011 (the "Benchmark Regulation"), benchmark administrators should apply for authorisation or registration as an administrator before 1 January 2020. Upon such authorisation or registration, the benchmark administrator or the benchmark will appear on the register of administrators and benchmarks maintained by the ESMA pursuant to Article 36 of the Benchmark Regulation.

As at the date of this Base Prospectus, the Indices applying on the Series of Notes issued under this Base Prospectus are benchmarks with an administrator indicated in the ESMA register within the meaning of the Benchmark Regulation.

### **Additional Indices**

The Issuer may from time to time issue other Notes which seek to replicate, to the extent practicable the value and yield performance (before fees and expenses) of an Index other than those listed above. In such circumstances, the Issuer shall prepare a supplement to this Base Prospectus, as further described in the section of this Base Prospectus entitled "Supplements".

## DESCRIPTION OF THE DIGITAL ASSETS

*The information in this section of the Base Prospectus has been extracted from public information and has been reproduced on the basis of information available to the Issuer. Such information has been accurately reproduced and, as far as the Issuer is able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading. The delivery of this Base Prospectus at any time does not imply any representation on the part of the Issuer, any other Series Party or any other person that any information contained therein is correct at any time subsequent to the date of this Base Prospectus.*

Each Series of Notes is intended to replicate, to the extent practicable the value and yield performance (before fees and expenses) of the relevant Index which is linked to the daily performance of one or more digital assets. A general overview of digital assets together with a description of a selection of digital assets appears below.

### Structure of digital assets

Digital assets are not issued by any government, bank or central organization in the same way as fiat currencies or traditional assets such as shares or bonds, and instead exist on an online, peer-to-peer network (the “**Network**”) that hosts a public transaction ledger where digital assets transactions are recorded. When a transaction (i.e. transfer of digital assets between two digital wallets, or from one digital asset owner to another) is made, it is signed by the owner’s encrypted electronic signature, as detailed below. Once signed, this transaction is then broadcasted to the Network through peer-to-peer technology.

Each transaction is broadcast to the Network and recorded in a blockchain using a mining process. The blockchain (the “**Blockchain**”) is a public transaction ledger of the Network on which miners or mining pools solve algorithmic equations allowing them to add records of recent transactions (called “blocks”) to the chain of transactions in exchange for an award of the relevant digital asset from the Network and the payment of transaction fees, if any, from users whose transactions are recorded in the block being added. Miners use cryptographic technology to encrypt the identities of the digital assets owners and verify if the transaction is valid. This process ensures the legitimacy of the record keeping and prevents a malicious third party from adding fraudulent blocks to generate counterfeit digital assets or reversing prior transactions.

A transaction between two parties will only be recorded in the Blockchain if that block is accepted by a majority of the nodes in the Network. Validation will be achieved by confirming the cryptographic hash value included in the block’s solution and by the block’s addition to the longest confirmed Blockchain on the Network. Each block contains a reference to the immediately preceding block, therefore additional blocks incorporated into the Blockchain constitute additional confirmations of the transactions in the prior blocks. Inclusion in the Blockchain constitutes a confirmation of the transaction. Exchanges may set their own criteria in relation to how many confirmations are required until the funds transfer is confirmed as valid.

A confirmed transaction is considered final and can no longer be reversed. It will then become part of the history of transactions in a Blockchain.

### Mining

Mining is the process by which digital assets are created and transactions are verified. A miner or user can begin the mining process by downloading a software program which turns the user’s computer into a node on the Network that validates blocks. As each digital assets transaction is validated, new blocks are added to the Blockchain and new digital assets are issued to the miners.

The miner must solve a complex computational algorithm in order to add a block to the Blockchain. Each block can only be solved and added to the Blockchain by one miner, therefore all miners are engaged in a competitive process of constantly increasing their computer power to improve their likelihood of solving the block. The miner’s proposed block will be added to the Blockchain once a majority of the nodes on the Network confirms the miner’s work. This process is called Proof of Work (“**PoW**”).

As compensation for successfully adding a block to the Blockchain, miners are automatically awarded a fixed amount of digital assets and / or any transaction fees paid by transferors whose transactions are recorded in the block.

## Staking

Some digital assets networks rely on staking to validate block transactions. Instead of solving complex computational algorithms to add a block to the Blockchain, Proof of Stake (“**PoS**”) depends on a staking party’s economic stake in the network. New blocks to the Blockchain are added based on the percentage share a staking party holds compared to the total digital assets of that network outstanding.

## Trading digital assets

Digital assets trading works like foreign exchange trading, only that digital assets are involved instead of actual foreign currencies. Digital assets can be traded through digital assets exchanges. These exchanges are websites where digital assets can be bought, sold and exchanged for other digital assets or actual currencies like USD, GBP, or EUR.

There are three different types of digital assets exchanges, as follows:

- *Trading Platforms*

There are websites that connect different traders (i.e. buyers and sellers). They charge transaction fees for every trading transaction made.

- *Direct Trading*

This is a type of platform that allows direct person-to-person trading involving individuals from different countries. There is no fixed market price for direct digital assets trading. Sellers are permitted to set their own rate.

- *Brokers*

Like regular foreign exchange dealers, digital assets brokers set the price of digital assets that are being traded on their websites.

Before engaging in a digital assets transaction, a user must first obtain a digital “wallet” in order to store the digital assets. A “wallet” is a software program that generates the relevant digital assets addresses and enables users to transfer digital assets with other users.

A user may install certain digital assets programs on their computer which will generate a digital wallet. Users may own an unlimited number of digital wallets. Every wallet contains one or more unique addresses and a verification system for each address. Such verification system consists of both a “public” and “private” key, which are mathematically related.

To transfer digital assets, the recipient of the digital assets will direct the transferor to send payment to the address generated by the recipient’s digital wallet or to the recipient’s public key, which encodes the payment and serves as an address for the digital wallet. The transferor will approve the transfer to the recipient by “signing” the transaction request with the “private key” of the address from where the transferor is transferring the digital asset. The “signing” is usually automated by software which runs the digital wallets of the recipient and transferor. The recipient of the digital asset will not disclose its private key to the transferor, as the private key provides access to, and the transfer of funds from the recipient’s wallet. The digital asset is then transferred from the transferor’s digital wallet to the recipient’s digital wallet and the transaction is validated on the Network.

## Bitcoin

Bitcoin was the very first digital asset and currently possesses the “first-to-market” advantage and has captured a majority of the industry’s market share (“**Bitcoin**”). Bitcoin was first created and released in 2009 by Satoshi Nakamoto. Satoshi Nakamoto is thought to be a pseudonym for the inventor or the group of inventors responsible for the creation of Bitcoins. In January 2009, Mr. Nakamoto mined the first 50 Bitcoins, known as the genesis block. After the creation of the genesis block, the Bitcoin Network was initially formed



mostly by a small group of early adopters. It started to gain traction approximately a year later and was quickly adopted by a vast peer-to-peer network.

Bitcoins are not a fiat currency (i.e., a currency that is backed by a central bank or a national, supra-national or quasi-national organization) and are not backed by hard assets or other credit. As a result, the value of Bitcoins is currently determined by the value that various market participants place on Bitcoins through their transactions.

Due to the peer-to-peer framework of the Bitcoin Network and the protocols thereunder, transferors and recipients of Bitcoins are able to determine the value of the Bitcoins transferred by mutual agreement or barter with respect to their transactions. As a result, the most common means of determining the value of a Bitcoin is by surveying one or more Bitcoin exchanges where Bitcoins are bought, sold and traded. On each Bitcoin exchange, Bitcoins are traded with publicly disclosed valuations for each transaction, measured by one or more fiat currencies such as the USD or the EUR. Bitcoin price indexes have also been developed by a number of service providers in the Bitcoin space.

The Bitcoin end-user-to-end-user ecosystem operates on a continuous, 24-hour per day basis. This is accomplished through decentralized peer-to-peer transactions between parties on a principal-to-principal basis. All risks and issues of credit are between the parties directly involved in the transaction. Liquidity can change from time to time during the course of a 24-hour trading day. Transaction costs, if any, are negotiable between the parties and may vary widely, although, where transaction fees are included, they are paid by the sending party in a Bitcoin transaction. There are currently no official designated market makers for Bitcoins and hence no standard transaction sizes, bid-offer spreads or typical known cost per transaction.

#### *Global Bitcoin Market*

Global trade in Bitcoins consists of individual end-user-to-end-user transactions, together with facilitated exchange-based Bitcoin trading. A limited market currently exists for Bitcoin-based derivatives.

#### *Bitcoin Exchange Market*

Online Bitcoin exchanges represent a substantial percentage of Bitcoin buying and selling activity and provide the most data with respect to prevailing valuations of Bitcoins. These exchanges include established exchanges such as Bitstamp, BTC-e, and Bitfinex, which provide a number of options for buying and selling Bitcoins.

#### **Bitcoin Cash**

Bitcoin Cash (“**Bitcoin Cash**” or “**BCH**”), is a digital asset that is created and transmitted through the operations of the peer-to-peer Bitcoin Cash Network, a decentralized, open source protocol. The Bitcoin Cash Network is a decentralized network of computers that run applications on a Blockchain that enables developers to create markets, store registries of debts or promises, represent the ownership of property, and move funds in accordance with conditional instructions, all without the involvement of a middleman or counterparty. No single entity owns or operates the Bitcoin Cash Network, the infrastructure of which is collectively maintained by a decentralized user base.

Since its launch, Bitcoin has faced pressure from community members on the topic of scalability. The particular concern was that the size of blocks, set at a million bytes in 2010 would slow down transaction processing times, hence limiting the currency’s potential. The block size limit was originally added to the Bitcoin code in order to prevent spam attacks on the Bitcoin Network at a time when the value of Bitcoins was low. By 2015, the value of Bitcoins had increased substantially and average block size had reached 600 bytes, hence creating a situation in which transaction times could run into delays as more blocks reached maximum capacity.

A number of proposals have been made to deal with transaction processing over the last number of years, often focussing on block size. As the Bitcoin code is not managed by a central authority any changes to the code require buy-in from developers and mines, resulting in proposals taking a long time to finalise. This resulted in groups creating separate Blockchain ledgers using new standards, called a Fork. A Fork is the only method for developers to update Bitcoin software. Developers split the Network and essentially create a new Blockchain which altered the rules. The original and forked version of the digital assets have identical Blockchains all the way up to the block when the split occurred. From there on, the two Networks exist

independently. Several Forks, such as Bitcoin Classic, Bitcoin XT and Bitcoin Unlimited failed to be adopted by the wider Bitcoin community.

During the Future of Bitcoin conference in Arnhem, Netherlands, the first implementation of the Bitcoin Cash protocol called Bitcoin ABC was announced by Amaury Séchet, a former engineer at Facebook. Séchet and his team of developers decided to increase the block size from 1MB to 8MB. In addition, it also removed “segregated witness” which is a proposed code adjustment designed to free up block space by removing certain parts of the transaction. As such drastic changes required their creation to split from the original Bitcoin Network, it was announced that a Fork would take place on Aug. 1, 2017 and Bitcoin Cash was launched.

Anyone who held Bitcoin at the time Bitcoin Cash was created became owners of Bitcoin Cash. Any transactions after the August 1<sup>st</sup> ledger split are completely separate between Bitcoin and Bitcoin Cash.

The goal of Bitcoin Cash is to increase the number of transactions that can be processed, with the aim that Bitcoin Cash could compete with the volume of transactions that Visa for example can handle by increasing the size of blocks.

Because Bitcoin Cash shares the same codebase as Bitcoin, from a technical perspective, Bitcoin Cash is nearly identical in all respects to the version of Bitcoin that existed at the time of the Fork. For that reason, the Bitcoin Cash Network also made a few additional technical modifications, in order to address certain risks presented by an asset with such substantial similarities to Bitcoin. For example, because both the Bitcoin chain and the Bitcoin Cash chain use the same proof-of-work algorithm, miners can easily move between the two chains, depending on which asset is more profitable to mine at a given point in time. On November 13, 2017, the Bitcoin Cash Network introduced an adjustment to the algorithm that controls mining difficulty because mining difficulty was fluctuating rapidly as large amounts of mining power continuously entered and exited the Bitcoin Cash Network. Additionally, the Bitcoin Cash Network introduced a new transaction signature function to guard against replay attacks.

## **Ethereum**

Ether (“**Ether**” or “**ETH**”) is a digital assets whose Blockchain is generated by the ethereum platform (“**Ethereum**”). Ethereum was initially described by Vitalik Buterin in late 2013 as a result of his research and work on the Bitcoin community. Subsequently, Vitalik published the Ethereum white paper which described the technical design and rationale for the Ethereum protocol and smart contracts architecture. Ethereum was formally announced by Vitalik at The North American Bitcoin Conference in Miami, Florida, in January 2014.

The development of Ethereum was funded by a presale of Ether tokens. In July 2014, Ethereum distributed the initial allocation of Ether via a 42-day public Ether presale, worth \$18,439,086 at the time in exchange for approximately 60,102,216 Ether.

Ethereum is an open software platform based on Blockchain technology that enables developers to build and deploy decentralized applications. Like Bitcoin, Ethereum is a public Blockchain Network, however while the Bitcoin Blockchain is used to track ownership of Bitcoins, the Ethereum Blockchain focuses on running the programming code of any decentralized application. In the Ethereum Blockchain, instead of mining for Bitcoin, miners work to earn Ether. Ether is a type of crypto token that fuels the Network and is also used by application developers to pay for transaction fees and services on the Ethereum Network.

### *Ethereum Virtual Machine*

Before the creation of Ethereum, Blockchain applications were designed to exclusively operate as peer-to-peer digital assets. Ethereum’s core innovation is the Ethereum Virtual Machine (EVM). EVM is a software that runs the Ethereum Network. Before EVM, an entirely new Blockchain would need to be built for each new application, however, EVM enables the development of thousands of different applications all on one platform.

### *Decentralized platform*

Ethereum enables developers to build and deploy decentralized applications. As decentralized applications are made up of code that run on a Blockchain Network, they are not controlled by any individual or central entity. Any services that are centralized can be decentralized using Ethereum. There are many advantages to the decentralized platform. As decentralized applications run on the Blockchain, a third party cannot make changes to the data. Applications are corruption and tamper proof and are secure. With no central point of failure and secured using cryptography, applications are protected against hacking or tampering activities.

## Ethereum Classic

The ethereum classic (“**Ethereum Classic**”) Network is a decentralized network of computers that run applications on a custom built public Blockchain that enables developers to create markets, store registries of debts or promises, represent the ownership of property, and move funds in accordance with conditional instructions, all without the involvement of a middle man or counterparty. The Ethereum Classic Network is one of a number of projects intended to expand Blockchain use beyond just a peer-to-peer money system.

No single entity owns or operates the Ethereum Classic Network, the infrastructure of which is collectively maintained by a decentralized user base. The Blockchain allows people to exchange tokens of value, called ETC (“**ETC**”). ETC can be used to pay for goods and services, including computational power on the Ethereum Classic Network, or it can be converted to fiat currencies, such as Euro or U.S. Dollar, at rates determined on digital assets exchanges or in individual end-user-to-end-user transactions under a barter system.

### *History of Ethereum Classic*

Ethereum Classic emerged as a split version of the original Ethereum’s Blockchain, while the other version retained the original Ethereum name. The split, which led to the creation of Ethereum Classic and Ethereum, occurred following a hack on the original Ethereum in June 2016.

In April 2016, a Blockchain solutions company known as Slock.it announced the launch of a decentralized autonomous organization, known as “The DAO” on the Ethereum Network. The DAO was designed as a decentralized crowdfunding model, in which anyone could contribute Ether tokens to The DAO in order to become a voting member and equity stakeholder in the organization. Members of The DAO could then make proposals about different projects to pursue and put them to a vote. By committing to profitable projects, members would be rewarded based on the terms of a smart contract and their proportional interest in The DAO.

On June 17, 2016, an anonymous hacker exploited The DAO smart contract code to syphon approximately \$60 million, or 3.6 million ETH, into a segregated account. Upon the news of the breach, the price of ETH was quickly cut in half.

In the days that followed, several attempts were made to retrieve the stolen funds and secure the Ethereum Network. Among available solutions for solving the problem, the majority decided that a Fork might be necessary. The argument for the Fork was that it would create an entirely new version of the Ethereum Blockchain, erasing any record of the theft, and restoring the stolen funds to their original owners.

On July 20, 2016, the Ethereum Network completed the Fork. The split was devised and performed at a particular point in the Blockchain, which was just before the hacking took place. That resulted in the hackers’ siphoning transaction getting nullified and the funds being returned to the original smart contracts.

After the Fork, a section of the Ethereum community disagreed with the Fork and asserted that a blockchain must remain censorship-resistant and should remain free from such tampering effects. Despite the Fork, this group continued with the original Blockchain, while the remaining Ethereum community switched to the new version. On July 20, 2016, the original Ethereum protocol was rebranded as Ethereum Classic, and its native token as ETC, preserving the untampered transaction history (including The DAO theft).

Following the Fork of Ethereum into ETH and ETC, each holder of ETH automatically received an equivalent number of ETC tokens.

### *Smart Contracts*

The Ethereum Classic Network allows users to write and put on the network smart contracts. Smart contracts are autonomous digital applications that are capable of running by themselves as per programmed instructions. Examples of such applications include systems that manage the working of automatic teller machines. The application code and the incorporated agreements are available across the decentralized Ethereum Classic Blockchain Network, and act as the self-governing rules for these smart contracts or applications.

Smart contracts enable seamless execution of trusted transactions and agreements among various parties while maintaining participant anonymity on the network's global public nodes. They run without the need for any central regulator, legal framework, or external enforcement authority. In addition, smart contracts facilitate transparency, traceability, and foolproof execution of transactions. Smart contract operations are executed on the Blockchain and cost ETC.

## **Litecoin**

Litecoin ("**Litecoin**") is a digital asset that is created, and transmitted through, the peer-to-peer Litecoin Network, a decentralized, open source protocol. The Litecoin Blockchain allows people to exchange tokens of value, called LTC. LTC can be used to pay for goods and services, including computational power on the Litecoin Network, or it can be converted to fiat currencies, such as Euro or U.S. Dollar.

Litecoin was founded by Charlie Lee, a former Google employee and Director of Engineering at Coinbase, one of the latest exchanges and the first to list Litecoin.

Litecoin was one of the first digital assets to take Bitcoin's formula and tweak it. While Litecoin has similar and familiar features to Bitcoin, it has moved quickly to develop more innovations. Payments and processes were improved to allow more transactions. It can be used as an online currency and typically transacted for goods and services, and it can also be mined.

Similar to the Bitcoin Network, the Litecoin Network operates on a proof-of-work model. New LTC are created and rewarded to the miners of a block in the Litecoin Blockchain for verifying transactions. The Litecoin Blockchain is effectively a decentralized database that includes all blocks that have been solved by miners and it is updated to include new blocks as they are solved. Each LTC transaction is broadcast to the Litecoin Network and, when included in a block, recorded in the Litecoin Blockchain.

The Litecoin Network is kept running by computers all over the world. In order to incentivize those who incur the computational costs of securing the Network by validating transactions, there is a reward that is given to the computer that was able to create the latest block on the chain. Every two and a half minutes, on average, a new block is added to the Litecoin Blockchain with the latest transactions processed by the Litecoin Network.

The number of LTC awarded for solving a new block is automatically halved after every 840,000 blocks are added to the Litecoin Blockchain. Currently, the fixed reward for solving a new block is 25 LTC per block and this is expected to decrease by half to become 12.5 LTC after the next 840,000 blocks. This deliberately controlled rate of LTC creation means that the number of LTC in existence will increase at a controlled rate until the number of LTC in existence reaches the pre-determined 84 million LTC.

### *Key Differences between Bitcoin and Litecoin*

Litecoin's Blockchain uses the scrypt protocol, which is a distinct hashing algorithm, which is different from Bitcoin's SHA256 hashing algorithm, which results in less centralized mining hash power. This means that miners who run Bitcoin's Network cannot switch over to Litecoin. This keeps bigger mining conglomerates away from Litecoin because they cannot easily optimise their profits by swapping to another coin, contributing to a more decentralized experience.

Another key difference is that LTC has a block generation time of approximately two and a half minutes as compared to ten minutes for Bitcoin. There is also a cap on the number of coins that will be created of 84 million LTC, as compared to 21 million for Bitcoin.

As a result of these differences, transactions using LTC occur four times faster than transactions using Bitcoin and at a lower cost.

## **Ripple**

Ripple Labs, Inc. ("**Ripple Labs**"), the company building the ripple protocol, was founded in 2012 by Chris Larsen and Jed McCaleb under the name OpenCoin. Over the past several years, Ripple Labs has developed both (i) an open-payment network through which currency is transferred; and (ii) a digital asset token known

as Ripple (“**Ripple**” or “**XRP**”), that is transferred across the Ripple Network. The Ripple Network is designed to be a global real-time payment and settlement system. As a result, the Ripple Network and XRP aim to improve the speed at which parties on the Network may transfer value while also reducing the fees and delays associated with the traditional methods of interbank payments.

Ripple has no mining like, for example, the Bitcoin Blockchain, where more Bitcoins are created every time a miner uploads transactions data. Ripple transactions are instead verified by multiple parties to achieve consensus across the globe within seconds after changes are made. The main feature of the Ripple protocol is that it is immediate. The system eliminates the role of the middleman found in the traditional method of sending cash electronically, hence virtually eliminating the cost of sending electronic payments. The system is designed to automatically and continuously update the ledgers which means that the Ripple protocol reaches consensus across the globe within seconds after changes are made, whereas traditional banking systems take anywhere between three and five days.

XRP is the digital asset token native to the Ripple network. 100 billion XRP were created at Ripple’s inception, with no more allowed to be created according to the protocol’s rules. XRP is not dependent on any third party for redemption and is the only currency on the Ripple network that does not involve counterparty risk. XRP is the only native digital asset on the Ripple network. The other currencies on the Ripple network are debt instruments.

The Ripple Network’s intended function is to allow users to conduct cross-currency transactions securely and quickly. A conventional cross-currency transaction often requires liquidity providers to work across several currency pairs to facilitate the transaction, which can be time-intensive and increases transaction costs. To reduce the costs and time associated with such transactions, XRP functions as a bridge token; it facilitates liquidity between any two currencies by acting as a bridge between such currencies. In an XRP-facilitated transaction, instead of working across several currency pairs, liquidity providers use XRP to transfer value between two currencies. Two parties are required for a transaction to occur on the Ripple Network: (a) a gateway, which is typically a financial intermediary, such as a bank, exchange or money transmitter that allows customers to put money into and remove money from the Ripple system; and (b) market makers that facilitate liquidity in the system. Gateways serve as the first link in the chain between the sender and the recipient when the sender wants to make a payment and the last link in the chain when the sender wants to receive a payment. Gateways accept payments, issue balances to Ripple Labs’ distributed ledger, and redeem ledger balances against the payments they hold when fiat currency is withdrawn. Market makers on the Ripple Network hold balances in multiple currencies and connect multiple gateways, thus facilitating payments between users where no direct trust exists by enabling exchanges of value across gateways.

In addition, XRP can be used to pay transaction fees incurred in such cross-currency transactions, with one transaction costing approximately \$0.00001 or 0.00001 XRP. This transaction fee payment via XRP acts as a safeguard against the system being overwhelmed by any single active participant trying to put through millions of transactions at once, thus promoting the system’s functionality.

In 2012 100 billion XRP were created by Ripple Labs in what is referred to as a “premine”. No further XRP can be created according to the Ripple network protocol. On creation of the 100 billion XRP, 20 billion were retained by the founders of Ripple Labs and the remaining 80 billion were given to Ripple Labs. Currently, around [ ] billion XRP are in circulation. Ripple Labs Inc. still hold the rest.

In May 2017, in order to remove uncertainty around XRP’s future supply, Ripple Labs Inc. announced plans to lock up 55 billion XRP into a cryptographically-secured escrow account which utilize smart contracts to “lock” such escrowed XRP until a certain time, or until certain conditions have been met. Such escrow contracts are used to establish 55 contracts of 1 billion XRP each that will expire in succession on the first day of every month from months 0 to 54 and which began in January 2018. As each contract expires, the XRP will become available for Ripple Labs’ use. Ripple Labs expects to use XRP to continue incentivizing market makers to offer tighter spreads between currency pairs in exchange for XRP and to sell XRP to institutional investors. Unused XRP at the end of each month will reenter the escrow cycle and be placed into a new escrow account that will expire in the 55th month from that date. This mechanism is intended to ensure that a large number of XRP will not enter the market at one time and lead to a substantial reduction in the price of XRP.

XRP can be bought and sold on most major digital assets exchanges such as Bitfinex, Kraken and Bitstamp, as well as on digital assets platforms such as Changelly.

## SUPPLEMENTS

The Issuer shall prepare a supplement (each a "**Supplement**") to this Base Prospectus or publish a new base prospectus whenever required by the guidelines of any stock exchange on which Notes are listed or, pursuant to Art 23 of the Prospectus Regulation (Regulation (EU) 2017/1129), if there is a significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the securities and which arises or is noted between the time when the Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later.

## **PURPOSE OF FINAL TERMS**

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

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

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

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions which, subject to completion by the Final Terms relating to a particular Series of Notes, will be applicable to the Notes of such Series. Unless the context requires otherwise, references in these terms and conditions to "Notes" are to the Notes of one Series only, not to all Notes which may be issued under the Programme from time to time.*

The Notes are issued under the VanEck Vectors Exchange Traded Note Programme of the Issuer (the "**Programme**").

The Issuer entered, in the context of the issue of Notes under the Programme, into the following agreements:

- (A) an agency agreement (the "**Agency Agreement**") between the Issuer and the Issuing and Paying Agent (as defined in the Conditions) and any other "Paying Agents" (such other Paying Agents being defined as such together with the Issuing and Paying Agent) and the Collateral Agent;
- (B) a calculation agency agreement (the "**Calculation Agency Agreement**") between the Issuer and the Calculation Agent (as defined in the Conditions);
- (E) a pledge agreement (the "**Collateral Agent & Pledge Agreement**", "**CA Pledge Agreement**") between the Issuer and the Collateral Agent (as defined in the Conditions) on the terms (save as amended, modified and / or supplemented by the relevant Constituting Instrument);
- (F) an authorised participant agreement (the "**Authorised Participant Agreement**") between, among others, the Issuer and each Authorised Participant (as defined in the Conditions); and
- (G) an operating procedures agreement (the "**Operating Procedures Agreement**") between, among others, the Issuer and each Authorised Participant.

The obligations of the Issuer under the Notes of a particular Series are secured by a pledge as established on the basis of the CA Pledge Agreement in respect of such Series Assets.

In relation to each Series of Notes, a Custody Agreement dated on or about the Series Issue Date (as amended, supplemented novated and/or replaced from time to time, the "**Custody Agreement**") will be entered into in relation to the Notes between the Issuer and the Custodian.

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



1. **Definitions**

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

**"Authorised Participant"** means any Eligible Authorised Participant that has entered into an Authorised Participant Agreement with the Issuer and has acceded to the Operating Procedures Agreement including Flow Traders B.V.

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

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

**"Agents"** means in relation to each Series of Notes, the Calculation Agent, the Issuing and Paying Agent, the Paying Agent(s) and such other agent(s) as may be appointed from time to time in relation to the Notes of such Series under the relevant Agency Agreement, the Calculation Agency Agreement or any other agreement with the Issuer under which such agent is appointed from time to time in relation to the Notes, as applicable, and any successor or replacement and **"Agent"** means any of them.

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

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

**"Business Day"** means a day (other than a Saturday or Sunday) on which commercial banks are open for general business in Frankfurt, Germany..

**"Calculation Agent"** means VanEck (Europe) GmbH, Kreuznacher Str. 30, 60486 Frankfurt, Germany and any successor or replacement thereto or any other entity appointed as Calculation Agent in accordance with the terms of the Calculation Agency Agreement.

**"Calculation Agent Breach"** has the meaning given to it in Condition 9.6(B).

**"Central Depository"** means, in relation to a Series of Notes, Clearstream Banking Frankfurt.

**"Clearing System Business Day"** means a day on which the Relevant Clearing System is open for business.

**"Clearstream Banking Frankfurt "** means the central depository Clearstream Banking Frankfurt (CBF) .

**"Component Digital Assets"** means the component digital assets of the relevant Index in respect of a Series of Notes.

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

**"Custodian"** means Bank Frick & Co AG or any successor or replacement thereto or any other entity appointed as custodian in accordance with the terms of the Custody Agreement.

**"Custody Account"** means each account of the Custodian in which the Series Assets will be held by the Custodian on behalf of the Issuer.

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

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

**"Disrupted Day"** means in respect of any Series, any day on which the markets on which the Component Digital Assets are listed or traded or markets which the Issuer determines in its discretion to be relevant to the Index are closed.

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

**"Disruption Redemption Event"** has the meaning given to it in Condition 8.3.

**"EEA"** means the European Economic Area.

**"Eligible Authorised Participant"** means any bank or financial institution (which for these purposes shall include any leading dealer or broker in the assets of the type referenced by the Notes) incorporated, domiciled and regulated in the EEA that meets the requirements of the Operating Procedures Agreement.

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

**"Event of Default"** has the meaning given to it in Condition 11.

**"Event of Default Redemption Notice"** has the meaning given to it in Condition 11.

**"Extraordinary Resolution"** means (i) a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the CA Pledge Agreement by a majority of at least 75 % of the votes cast or (ii) a resolution in writing signed by or on behalf of the holders of not less than 75 % of the aggregate number of the Notes who for the time being are entitled to receive notice of a meeting which written resolution shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed at a meeting of such Noteholders duly convened and held in accordance with the relevant provisions of the CA Pledge Agreement.

**"Fees and Expenses"** means in respect of a Series of Notes, the total fees, expenses and other liabilities (other than the liabilities represented by the Notes) payable, and/or accrued and/or estimated to be payable by the Issuer in respect of such Series.

**"Final Redemption Amount"** means an amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note in the Relevant Currency, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption.

**"Final Redemption Date"** means the final redemption date specified in the Final Terms, subject to any extension in accordance with Condition 7.2.

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

**"Final Terms"** means the final terms specifying the relevant issue details of the Notes.

**"FMA"** means the Liechtenstein Financial Market Authority, which is the competent authority for Liechtenstein under the Prospectus Regulation.

**"Global Bearer Security"** means the Notes in bearer form represented by a Global Bearer Note.

**"Global Bearer Note"** means a Global Bearer Security.

**"Index"** means the Index specified for the Notes in the Final Terms, or any Successor Index.

**"Index Administrator"** means the Index Administrator as specified in the Final Terms of a Series of Notes.

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

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

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

**"Initial Early Redemption Event"** has the meaning given to it in Condition 7.8.

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

**"Issue Price"** means, in respect of a Series of Notes, the amount per Note specified in the Final Terms.

**"Issuer"** means VanEck ETP AG, a society limited by shares incorporated under the laws of Liechtenstein with registration number FL-0002.640.173-8.

**"Issuer Call Redemption Notice"** has the meaning given to it in Condition 7.7.

**"Issuer Redemption Notice"** has the meaning given to it in Condition 7.8.

**"Issuer's Website"** means the website having the following internet address: [www.vaneck.com](http://www.vaneck.com) or such other internet address as may be used by the Issuer and notified to Noteholders and the Collateral Agent in accordance with Condition 16.

**"Issuing and Paying Agent"** means Quirin Privatbank AG, Bürgermeister-Smidt-Straße 76, 28195 Bremen, Germany, and any successor or replacement thereto or any other entity appointed as issuing and paying agent pursuant to the Agency Agreement.

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

**"Mandatory Redemption"** means a redemption of Notes in accordance with Condition 7.8.

**"Mandatory Redemption Amount"** means an amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series of Notes necessary to give effect to such redemption.

**"Mandatory Redemption Date"** means, in respect of a Mandatory Redemption Event, the date designated as such in accordance with Condition 7.8.

**"Mandatory Redemption Event"** has the meaning given to it in Condition 7.8.

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

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

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

**"Note Value"** has the meaning given to it in Condition 4.

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

**"Noteholder Notice and Direction"** has the meaning given to it in Condition 7.8.

**"Collateral Agent"** means VanEck (Europe) GmbH, with its registered office at Kreuznacher Str. 30, 60486 Frankfurt, Germany and commercial register number HRB 85306, and any successor thereto.

**"Notice Deadline"** means 12.00 p.m. (Liechtenstein time), provided that the Notice Deadline in respect of any Series of Notes may be adjusted by agreement between the Issuer and the Authorised Participants with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with Condition 16.

**"Optional Redemption"** means the redemption of Notes at the option of one or more Noteholders in accordance with the provisions of Condition 7.3.

**"Optional Redemption Amount"** means an amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption.

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

**"Optional Redemption Settlement Date"** means the first Valuation Date after the Optional Redemption Pricing Date which is not a Disrupted Day and is both a Currency Business Day and a Clearing System Business Day.

**"Outstanding"** means, for the purposes of the Conditions, the CA Pledge Agreement and each other Series Document, in relation to the Notes and a Valuation Date, (i) on the Series Issue Date, the Notes issued on such date, and (ii) on any Valuation Date thereafter, all the Notes issued on or prior to such Valuation Date except (a) those that have been redeemed in accordance with Condition 7; (b) those that have been cancelled for any reason; (c) those in respect of which the date for redemption has occurred and the redemption moneys have been duly paid to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of Notes; (d) those that have become void or in respect of which claims have become prescribed; (e) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not paid in full the relevant subscription amount under the Authorised Participant Agreement; (f) those that have been purchased, settled and cancelled as provided in Condition 7.5; (g) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities; (h) (for the purpose only of determining how many Notes are outstanding and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued and (i) any Global Bearer Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Noteholders, (2) the determination of how many Notes are outstanding for the purposes of the Conditions, the CA Pledge Agreement and any other Series Document and (3) the exercise of any discretion, power or authority that the Collateral Agent is required, expressly or impliedly, to exercise in or by reference to the interests of the Noteholders, those Notes that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding. For the avoidance of doubt, Notes (if any) which the Issuer has agreed on or prior to such Valuation Date to redeem but in respect of which the Series Assets have not yet been liquidated shall be deemed to be "outstanding" on such Valuation Date and Notes (if any) which the Issuer has agreed on or prior to such Valuation Date to issue but in respect of which payment of the relevant subscription amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "outstanding" on such Valuation Date.

**"Paying Agent"** means any entity as may be appointed from time to time as paying agent of the Issuer in accordance with Condition 9.7, and any successor or replacement thereto.

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

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

**"Proceedings"** has the meaning given to it in Condition 18.2.

**"Programme Effective Date"** means 19 October 2020.

**"Programme Maximum Number of Notes"** means 1,000,000,000.

**"Prospectus Regulation"** means Regulation (EU) 2017/1129 (and delegated acts such as Commission Delegated Regulations (EU) 2019/979 and 2019/980).

**"Publication Event Redemption Notice"** has the meaning given to it in Condition 7.8.

**"Publication Failure Event"** has the meaning given to it in Condition 7.8.

**"Series Assets"** means in respect of a Series of Notes, the assets acquired by the Issuer with the proceeds of the issue of such Series of Notes in order to replicate, to the extent practicable the value and yield performance (before fees and expenses) of the relevant Index and any cash or rights received or to be received from time to time in respect of such assets.

**"Digital Assets"** means in respect of a Series of Notes, any Series Assets consisting of digital assets.

**"FDI"** means in respect of a Series of Notes, any Series Assets consisting of financial derivative instruments.

**"Record Date"** means the Clearing System Business Day immediately prior to the date for payment.

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

**"Redemption Account"** means, in respect of Notes, a bank account to receive payments in the Relevant Currency of the Optional Redemption Amount in respect of the redemption of such Notes, 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 from time to time; and
- (B) otherwise, the bank account specified in the Redemption Order.

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

**"Redemption Limit"** means the sum of the Maximum Daily Redemption Limits relating to the Notes.

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

**"Relevant Clearing System"** means Clearstream Banking Frankfurt or any other recognised clearing system in which Notes of a Series may be cleared.

**"Relevant Currency"** means the currency of denomination of the Notes, as specified in the Final Terms.

**"Relevant Date"** has the meaning given to it in Condition 10.

**"Relevant Provisions"** means, in respect of the Calculation Agent, the provisions of the Calculation Agency Agreement, the Pledge Agreement and the Conditions.

**"Relevant Stock Exchange"** means any stock exchange or regulated or unregulated market within the EEA or abroad on which Notes of a Series may be listed.

"**RIS**" means a regulated information service for the purposes of giving information relating to the Notes and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time.

"**Secondary Early Redemption Event**" has the meaning given to it in Condition 7.8.

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

"**Series**" means all Notes having the same ISIN or other similar identifier.

"**Series Account**" means, in respect of a Series of Notes, an account established in name of the Issuer with Bank Frick & Co AG.

"**Series Document**" means in relation to any Series of Notes, each of the documents relating to that Series including the Custody Agreement and each Authorised Participant Agreement in relation to such Series and "Series Documents" means all such documents.

"**Series Issue Date**" means the date of issuance of a Series of Notes, as specified in the relevant Final Terms.

"**Series Party**" means a party to a Series Document (other than the Issuer and Noteholders).

"**Subscription Limit**" means any applicable limit on the Issuer's ability to issue new Notes pursuant to the terms of the Operating Procedures Agreement, as may be amended from time to time.

"**Subscription Order**" means a request from an Authorised Participant delivered to the Issuing and Paying Agent to issue Notes.

"**Subscription Settlement Date**" means the [first] Valuation Date after the Subscription Trade Date which is not a Disrupted Day and is both a Currency Business Day and a Clearing System Business Day.

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

"**Subscription Trade Date**" means, subject to Condition 8.2, a Valuation Date on which a Subscription Order is determined to be valid and accepted by or on behalf of the Issuer in accordance with the terms of the Operating Procedures Agreement.

"**Successor Index**", in respect of a Series of Notes, means:

- [(A) if a relevant Index is not calculated and announced by the Index Administrator but is calculated and announced by a successor administrator (the "**Successor Index Administrator**") acceptable to the Calculation Agent, such index; and]
- (B) if a relevant Index is replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, such replacement index.

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

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

"**Valuation Date**", in respect of any Series, means each Business Day which is not a Disrupted Day.

"**Valuation Point**" in respect of any Valuation Date, means 16.00 (Liechtenstein time) on the previous Business Day.

## 1.2 Interpretation

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

## 2. **Form and Title**

The Notes will be issued in bearer form in a global note ("**Global Bearer Notes**" or in the form of dematerialised uncertificated registered notes which shall not be exchangeable for bearer securities ("**Uncertificated Registered Securities**"), in each case in the Denomination(s) and Relevant Currency specified in the Final Terms. If it is stated in the Final Terms that the form of some or all of the Notes is "Bearer", such Notes are issued in the form of one Global Bearer Note. If it is so stated that the form of some or all of the Notes is "Uncertificated Registered", such Notes are Uncertificated Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the Notes of a particular Series on issue will be the same.

In respect of bearer notes relating to a Series, a Global Bearer Note will be delivered on or prior to the original issue date to Clearstream Banking Frankfurt.

## 3. **Constitution and status**

Each Series of Notes is constituted when subscribed to by an Authorised Participant and issued by the Issuer. The Notes of each Series are secured, limited recourse obligations of the Issuer, at all times ranking pari passu and without any preference among themselves, secured in the manner described in Condition 5 and recourse in respect of which is limited in the manner described in Condition 5.5 and Condition 12.

## 4. **Note Value**

The "**Note Value**" in respect of any Valuation Date (which is not a Disrupted Day) shall be calculated by the Calculation Agent as follows:

- (i) Value of the Series Assets on the Valuation Date;
- (ii) net of any Fees and Expenses;
- (iii) divided by the number of outstanding notes;

provided that on the Issue Date of each Series, the Note Value will be equal to the Issue Price of the Note. Unless otherwise specified, amounts and values for each Valuation Date shall be calculated as at the Valuation Point for such Valuation Date and in accordance with the provisions of, and valuation rules as set out in the Calculation Agency Agreement.

## 5. **Security**

### 5.1 **Security**

The Issuer Security in respect of the Notes shall be constituted by a pledge under the terms of the CA Pledge Agreement, as described below. Additional security documents may be entered into in respect of a particular Series if required by the Collateral Agent.

Pursuant to the CA Pledge Agreement, the obligations of the Issuer shall be secured by a charge in favour of the Collateral Agent, for the benefit of the Noteholders, on:

- (i) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent) to meet payments due in respect of the obligations and duties of the Issuer under the CA Pledge Agreement and the Notes and all rights and claims of the Issuer relating to such sums,
- (ii) the Series Assets and any sums of money or other property received or receivable now or in the future by or on behalf of the Issuer from or in context with the Series Assets and all rights and claims of the Issuer with regard to the Series Assets and such sums or property,

- (iii) all of the Issuer's rights and claims as against the Custodian, relating to the Notes, and
- (iv) all of the Issuer's rights and claims in respect of any sum or property now or in the future standing to the credit of the Series Account,

in each case, to the extent that they relate to such Series of the Notes.

The Issuer will invest the proceeds of issue of each Series of Notes in the Series Assets, which will be held in accounts or wallets maintained by the Custodian on behalf of and in the name of the Issuer. Series Assets of a Series of Notes and any and all proceeds therefrom will be held separately from Series Assets and any and all proceeds therefrom of another Series of Notes and separate from the Issuer's own assets.

Security created by the CA Pledge Agreement in respect of the Notes is granted to the Collateral Agent as continuing security for the Noteholders. In accordance with the CA Pledge Agreement, at any time before the Security becomes enforceable, the Collateral Agent will release from such Issuer Security without the need for any notice or other formalities:

sums held by the Issuing and Paying Agent to the extent required for payment of any sum in respect of the Notes and/or under the Series Documents which is due and payable to be duly made (which for the avoidance of doubt shall include, without limitation, amounts payable in respect of principal to the Noteholders in accordance with these Conditions and Optional Redemption Amounts in respect of the Notes payable to any Authorised Participant by the Issuer);

any part of the Series Assets to the extent required to comply with and subject to the provisions of Condition 5.6.

On any date on which a payment of any principal under these Conditions in respect of any Notes becomes due, the Issuer covenants to unconditionally pay to the Paying Agent in same day cleared funds the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount, as applicable, in respect of the Notes which are due and payable on that date.

Notwithstanding anything to the contrary in these Conditions or the CA Pledge Agreement, (1) payment of principal due under the Notes pursuant to the Conditions made to the Issuing and Paying Agent as provided in the Agency Agreement shall, to that extent, satisfy the Issuer's obligation to make payments of principal in respect of the Notes to the Noteholders except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Noteholders (whether via payment through the Relevant Clearing System or otherwise) and (2) a payment of principal made after the due date or as a result of the Notes becoming repayable following an Event of Default or the occurrence of a Mandatory Redemption Event shall be deemed to have been made when the full amount due has been received by the Issuing and Paying Agent and notice to such effect has been given to the Noteholders, except to the extent that there is failure by the Issuing and Paying Agent to pass such payment to the relevant Noteholders (whether via payment through the Relevant Clearing System or otherwise).

Proceeds of liquidation of the Series Assets will be applied by the Issuer:

first, in payment or satisfaction of the fees, costs, charges, expenses and liabilities incurred by or payable to the Collateral Agent under or pursuant to the CA Pledge Agreement (including, without limitation, any Taxes (other than any income, corporation or similar tax in respect of the Collateral Agent's remuneration) required to be paid by the Collateral Agent in connection with the performance of its obligations under the CA Pledge Agreement and the Collateral Agent's remuneration);

secondly, in payment of any amounts owing to the holders of Notes *pari passu* and rateably; and

thirdly, in payment of any balance to the Issuer for itself.

## 5.2 Enforcement of Issuer Security constituted by the CA Pledge Agreement

The Issuer Security constituted by the CA Pledge Agreement in respect of the Notes shall become enforceable upon the occurrence of an Event of Default pursuant to Condition 11 below.



### 5.3 Realisation of Issuer Security constituted by the CA Pledge Agreement

At any time after the Issuer Security constituted by the CA Pledge Agreement has become enforceable, the Collateral Agent may, at its discretion, and shall, if so directed in writing by holders of at least a majority of the Notes then outstanding or by an Extraordinary Resolution of the Noteholders (a copy of which has been provided to the Collateral Agent), in each case subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction by the Noteholders in accordance with the CA Pledge Agreement, enforce the Issuer Security constituted by the CA Pledge Agreement.

To do this, the Collateral Agent may, at its discretion, (i) enforce and/or terminate any relevant Series Document relating to the Notes in accordance with its or their terms, and/or take action against the relevant counterparty and/or (ii) take possession of and/or realise all or part of the assets over which the Issuer Security constituted by the CA Pledge Agreement shall have become enforceable and may in its discretion, sell, call in, collect and convert into money all or part of such assets, in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders.

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

### 5.4 Application of proceeds of enforcement of Issuer Security

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

first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Notes to the Collateral Agent under or pursuant to the CA Pledge Agreement (which shall include, without limitation, any Taxes required to be paid by the Collateral Agent (other than any income, corporation or similar Tax in respect of the Collateral Agent's remuneration), the costs of enforcing or realising all or some of the Issuer Security constituted by the CA Pledge Agreement and the Collateral Agent's remuneration);

second, to the payment of any other outstanding Fees and Expenses of the Issuer which are attributable to the Notes;

third, in payment of any amounts owing to the Noteholders *pari passu* and rateably; and

fourth, in payment of any balance to the Issuer for itself.

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

In respect of any claim against the Issuer in relation to the Notes, the Series Parties and the Noteholders shall have recourse only to the Series Assets in respect of such Notes, subject always to the Security, and not to any other assets of the Issuer. If, following realisation in full of the Series Assets (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 5 and the CA Pledge Agreement, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, none of the Series Parties, the Noteholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

None of the Series Parties or the Noteholders or any person acting on behalf of any of them may, at any time and with prospect of success, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up or any other similar

proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets, as none of them shall have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single Series with the Notes).

The provisions of this Condition 5.5 shall survive notwithstanding any redemption of the Notes or the termination or expiration of any Series Document.

#### 5.6 **Issuer's rights as owner of the Series Assets**

At any time before the Issuer Security constituted by the CA Pledge Agreement becomes enforceable, the Issuer may:

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

and the Collateral Agent will allow such actions and exercise of rights if and as long as it considers these to be in the best interest of the Noteholders.

#### 6. **Restrictions**

So long as any of the Notes remain outstanding, the Issuer shall not, without the prior written consent of the Collateral Agent:

- (A) engage in any business activities except for the following:
  - (1) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some of the Notes of any Series under the Programme as may be provided in these Conditions and the Series Documents and in connection therewith enter into or amend any Series Documents accordingly;
  - (2) acquire and own rights, property or other assets which are to comprise Series Assets for a Series of Notes issued under the Programme so as to enable it to discharge its obligations under such Series, and any relevant Series Document relating to such Series;
  - (3) perform its respective obligations under any Notes issued under the Programme, and any relevant Series Document entered into by it in connection with such Series, and any agreements incidental to the granting of Issuer Security relating to any such Series of Notes or incidental to the issue and constitution of any Series of Notes issued under the Programme;
  - (4) engage in any activity in relation to the Series Assets contemplated or permitted by the Conditions or such Series Document relating to any Series of Notes;
  - (5) subject as provided in the CA Pledge Agreement and in the Conditions relating to any Series of Notes enforce any of its rights whether under the CA Pledge Agreement, any other Series Document or otherwise under any agreement entered into in relation to any Series of Notes or any Series Assets relating to any such Series; and
  - (6) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);
- (B) cause or permit the CA Pledge Agreement or the terms of the Issuer Security granted under the CA Pledge Agreement and the order of priority specified in the Conditions or the CA

Pledge Agreement, as applicable, to be amended, terminated or discharged (other than as contemplated by the CA Pledge Agreement and/or the Conditions relating to such Series of Notes);

- (C) release any party to the CA Pledge Agreement or any other relevant Series Document relating to a Series of Notes from any existing obligations thereunder (other than as contemplated by the CA Pledge Agreement and/or the Conditions relating to such Series of Notes);
- (D) have any subsidiaries;
- (E) sell, transfer or otherwise dispose of any assets or rights that are the subject of the Issuer Security constituted by the CA Pledge Agreement or any other part of the Series Assets in respect of any Series of Notes or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Series Assets (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant Notes of any such Series, the relevant Agency Agreement, the CA Pledge Agreement and any other Series Document relating to any such Series as may be applicable;
- (F) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the Conditions, the CA Pledge Agreement or any other Series Document relating to any Series of Notes (other than as contemplated or permitted by the Conditions and the relevant Series Documents);
- (G) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the CA Pledge Agreement and the Conditions for any Series of Notes);
- (H) have any employees (provided this shall not prevent the appointment of the directors);
- (I) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation) or make any distribution to its shareholders;
- (J) declare any dividends;
- (K) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Series of Notes or any Series Assets relating to a Series of Notes or any party thereto and the Issuer's interest in such account is simultaneously charged in favour of the Collateral Agent so as to form part of the relevant Series Assets relating to such Series of Notes, or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;
- (L) purchase, own, or otherwise acquire any real property (including office premises or like facilities);
- (M) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;
- (N) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;
- (O) except as contemplated by the Series Document, the Conditions relating to a Series of Notes, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Series Assets for any such Series of Notes, to any other entity or person;
- (P) subject as provided in paragraph (A) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 5 and 15) issuing further Notes under the Programme (which may or may not form a single Series with the Notes of any Series and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such Notes, provided that:

- (1) if such further Notes are not to form a single Series with any other Series of Notes, such further Notes and obligations are secured by assets of the Issuer other than (i) the assets which are the subject of the Issuer Security constituted by the CA Pledge Agreement relating to any other Series of Notes and (ii) the Issuer's share capital; and
- (2) such further Notes and obligations are secured *pari passu* upon the assets which are the subject of the Issuer Security constituted by the CA Pledge Agreement relating to the Series of Notes with which such Notes are to form a single Series;

provided that the Issuer shall not take any action (even where the prior written consent of the Collateral Agent is obtained) if such action is inconsistent with the objects of the Issuer as specified in its memorandum and articles of association.

## 7. **Redemption**

### 7.1 **Final redemption**

Unless previously redeemed in whole as provided below, each Note shall become due and payable on its Final Redemption Settlement Date at its Final Redemption Amount in the Relevant Currency. To the extent that the Final Redemption Amount:

- (A) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (B) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 .

### 7.2 **Extension of the Final Redemption Date**

The Issuer may by notice to the Noteholders delivered in accordance with Condition 16, extend the Final Redemption Date to a date falling not more than 10 years following the then current Final Redemption Date. Any notice pursuant to this Condition 7.2 shall be provided to the Noteholders at least one month in advance of the then current Final Redemption Date. There is no limit to the number of times the Issuer may exercise the option to extend the Final Redemption Date as provided for under this Condition 7.2.

### 7.3 **Optional Redemption**

- (A) A Noteholder which is also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or part of its holding of Notes at the Optional Redemption Amount in the Relevant Currency by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement.
- (B) A Noteholder which is not also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or any part of its holding of such Notes at the Optional Redemption Amount in the Relevant Currency by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the Noteholders in accordance with Condition 16 in respect of any Valuation Date that redemption requests from Noteholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered. Any such announcement may be general or subject to conditions, and any such Redemption Order which is not in accordance with any such conditions shall not be valid.
- (C) Any Note that is subject to Optional Redemption in accordance with this Condition 7.3 as a result of the delivery of a Redemption Order, shall become due and payable in the Relevant Currency on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount. To the extent that the Optional Redemption Amount:

- (1) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (2) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5.

#### 7.4 Redemption Orders

- (A) A Redemption Order shall only be valid if:
- (1) other than in the limited circumstances set out in Condition 7.3(B), it is delivered by a Noteholder that is an Authorised Participant;
  - (2) it specifies the number and Series of any Notes to be redeemed;
  - (3) it specifies the Redemption Account into which the Optional Redemption Amount shall be payable in respect of any Note to be redeemed;
  - (4) the number of Notes to be redeemed would not result in any Maximum Daily Redemption Limit, or any other applicable limitation on redemption under the Operating Procedures Agreement, being exceeded (for the purposes of which, Redemption Orders shall be dealt with in order of their actual receipt by the Issuer);
  - (5) the Redemption Order is received or deemed to have been received before the occurrence of a Mandatory Redemption Event;
  - (6) on the day it is received (or deemed to have been received by the Issuer) until the Optional Redemption Pricing Date (if different) none of the following events has occurred and is continuing:  
  
an Event of Default; or  
  
an Adjustment Event.
  - (7) such Redemption Order is submitted by an Authorised Participant on any day and no other Redemption Order has been submitted by that Authorised Participant on or in respect of such day in respect of the same Series, unless the Issuer otherwise agrees in its absolute discretion.
- (B) If the Issuer determines that a Redemption Order is invalid in whole or in part, it shall notify the Noteholder of that fact as soon as reasonably practicable and no Notes may be redeemed pursuant to a Redemption Order that the Issuer has determined in its absolute discretion is invalid.
- (C) Where a Redemption Order is received by the Issuer on a Valuation Date after the Notice Deadline, such Redemption Order shall be treated as having been submitted in respect of the immediately following Valuation Date.
- (D) Within one Business Day after the Optional Redemption Pricing Date in respect of any Redemption Order, the Issuer shall notify the relevant Noteholder of the Optional Redemption Amount payable in respect of Notes which are the subject of that Redemption Order, calculated as provided above.
- (E) The Issuer may change or vary the procedures for the submission of Redemption Orders on five calendar days' prior notice to the Noteholders in accordance with Condition 16 and these **Conditions shall be interpreted accordingly.**

#### 7.5 Settlement of Optional Redemptions

The Issuer may at its discretion elect to satisfy requests for the Optional Redemption of Notes by transfer of the appropriate number of Notes to one or more Authorised Participants from Noteholders requesting redemption, and for that purpose the Issuer may authorise any person on behalf of the

Noteholder to execute one or more instruments of transfer in respect of the relevant number of Notes provided that the amount payable to the Noteholder shall nonetheless be an amount equal to the relevant Optional Redemption Amount and the relevant Optional Redemption Settlement Date shall be the date of such transfer.

## 7.6 Suspension of Optional Redemptions

- (A) If the Issuer, in its absolute discretion, determines that due to adverse conditions in the markets on which the Series Assets are traded ("**Adverse Market Conditions**"), it would adversely affect the interests of the Issuer or the remaining Noteholders to continue to permit redemptions, the Issuer may at any time and from time to time while such Adverse Market Conditions are continuing suspend the right to request redemption of the Notes pursuant to Condition 7.4.

Subject as provided in this Condition 7.6, the Issuer may at its discretion terminate any such suspension at any time.

The following provisions shall apply where Optional Redemptions have been suspended:

- (i) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the Series Parties and the Noteholders in accordance with Condition 16, as soon as reasonably practicable, but the failure to give any such notice shall not prevent the exercise of such discretions;
- (ii) any such suspension may continue for a period of up to 60 calendar days, and may continue thereafter at the discretion of the Issuer for so long as the Adverse Market Conditions are continuing; and
- (iii) any suspension shall not affect any Optional Redemption pursuant to a Redemption Order, the Optional Redemption Pricing Date for which had passed before the suspension commenced, but any Redemption Order in respect of Notes submitted or deemed to be received on a Valuation Date when the right to request redemption of the Notes pursuant to Condition 7.2 is suspended pursuant to this Condition 7.6 shall be invalid and the Issuer shall notify Noteholders who have submitted Redemption Orders which are invalid that such Redemption Orders must be resubmitted following the termination of the suspension period.

## 7.7 Issuer Call Redemption Event

The Issuer may, on giving an irrevocable notice to the Noteholders in accordance with Condition 16, elect to redeem all or some of the Notes and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the thirtieth calendar day following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**"). In the event that only some of the outstanding Notes are called for redemption pursuant to an Issuer Call Redemption Notice, a *pro rata* portion of each Noteholder's Notes shall be subject to such redemption.

For the purposes of Condition 7.8, a Mandatory Redemption Event in the form of an "**Issuer Call Redemption Event**" will occur on the Mandatory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Valuation Date on the first following Valuation Date). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the Series Parties on the **same date as such notice is given to the Noteholders.**

## 7.8 Mandatory Redemption Events

Each of the following events shall be a mandatory redemption event in respect of the Notes (each a "**Mandatory Redemption Event**"):

- (A) *Disruption Redemption Event*: the occurrence of a Disruption Redemption Event. For the purposes of Condition 7.7, a Mandatory Redemption Date will occur on the fifth Business Day after the date of the notice from the Issuer to the Noteholders in accordance with Condition 8.3(C);
- (B) *Termination of appointment of Agent or Authorised Participants*: any of the Calculation Agent, the Issuing and Paying Agent, the Custodian and/or all of the Authorised Participants in relation to the Notes resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect in accordance with the applicable Series Document, and the Issuer gives notice (an "**Agent Redemption Event Notice**") to the Series Parties and the Noteholders in accordance with Condition 16. For the purposes of Condition 7.7, a Mandatory Redemption Date will occur on the fifth Business Day after the date of the Agent Redemption Event Notice;
- (C) *Publication failure*: if the Note Value in respect of the Notes has not been published by or on behalf of the Issuer for 14 consecutive Non-Disrupted Valuation Dates (a "**Publication Failure Event**") and the Collateral Agent is notified in writing of such Publication Failure Event and directed in writing by holders of at least a majority of the Notes then outstanding (a "**Noteholder Notice and Direction**") to give a notice under this Condition 7.8(C) to the Issuer, the Collateral Agent will, provided that the Collateral Agent has been pre-funded and/or secured and/or indemnified to its satisfaction, give such notice (a "**Publication Event Redemption Notice**") to the Issuer, copied to each of the Series Parties. Any such Noteholder Notice and Direction must be substantially in the form set out in the Agency Agreement which is available from the Issuing and Paying Agent and/or the Collateral Agent. For the purposes of Condition 7.7, a Mandatory Redemption Date will occur on the fifth Business Day following the date of the Publication Event Redemption Notice. The Collateral Agent shall not be responsible for or liable to the Issuer, any Noteholder or any Series Party for investigating, verifying, determining or monitoring whether a Publication Failure Event has occurred or exists and, unless and until the Collateral Agent receives a Noteholder Notice and Direction, the Collateral Agent shall be entitled to assume that no such event has occurred;
- (D) *Change in law or regulation*: on or after the Series Issue Date (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange) or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):
- (1) it has (or the Issuer reasonably expects that it will) become illegal for the Issuer to (x) hold, acquire or dispose of all of the types of Series Asset, and/or (y) perform its obligations under the Notes;
  - (2) the Issuer would (or would expect to) incur materially increased costs in performing its obligations under the Notes (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),
- the Issuer may give notice to the Series Parties and the Noteholders in accordance with Condition 16 that the Notes are to be redeemed and designate a Mandatory Redemption Date for such purposes, provided that the date designated as the Mandatory Redemption Date shall not be earlier than the fifth Business Day following the date of the relevant notice (such notice an "**Issuer Redemption Notice**");
- (E) *Issuer Call Redemption Event*: an Issuer Call Redemption Event occurs pursuant to Condition 7.

Notwithstanding anything to the contrary in the Conditions or any Series Document, if at any time following the occurrence of a Mandatory Redemption Event (the "**Initial Early Redemption Event**") an event or circumstance which would otherwise constitute or give rise to a Mandatory Redemption

Event occurs (the "**Secondary Early Redemption Event**") in respect of which the Mandatory Redemption Date relating thereto occurs (or would occur) prior to the date that would have been the Mandatory Redemption Date in respect of the Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the "**Mandatory Redemption Event**" in the Conditions and the Series Documents shall be construed accordingly.

#### 7.9 **Mandatory Redemption Amount**

If any of the Mandatory Redemption Events listed in Condition 7.8 occurs, each Note shall become due and payable in the Relevant Currency on the related Mandatory Redemption Settlement Date at its Mandatory Redemption Amount. To the extent that the Mandatory Redemption Amount:

- (A) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (B) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5.

The Issuer shall give notice to the Noteholders of the Mandatory Redemption Date and the Mandatory Redemption Settlement Date of the Notes as soon as reasonably practicable in accordance with Condition 16.

### 8. **Disruption Events, Adjustments Events and postponement**

#### 8.1 **Disruption Events and determination of the Note Value**

If a Valuation Date is a Disrupted Day, then:

- (A) the calculation and publication of the Note Value in respect of such Valuation Date will be postponed to the next following Valuation Date that is not a Disrupted Day; and
- (B) the Issuer shall use reasonable efforts, to the extent that all required information is available to it, to publish an indicative price in respect of each Note on the Issuer's Website, solely for information purposes.

#### 8.2 **Postponement of settlement of subscriptions and Optional Redemptions**

- (A) If a Subscription Order or a Redemption Order (which is determined to be valid in accordance with the terms of the Operating Procedures Agreement) is received by the Issuer on a Valuation Date which is a Disrupted Day, then such Subscription Order or Redemption Order shall be deemed to have been received by the Issuer on the first following Valuation Date which is not a Disrupted Day. No additional amount shall be payable to any Authorised Participant (or any Noteholder acquiring Notes from, or selling Notes to, an Authorised Participant) in connection with the postponement of the Subscription Settlement Date or Optional Redemption Settlement Date, as applicable.
- (B) A Subscription Order delivered by an Authorised Participant which has been deferred in accordance with Condition 8.1 (A) may be withdrawn by that Authorised Participant in accordance with the terms of the Operating Procedures Agreement.

#### 8.3 **Adjustments**

- (A) If an Adjustment Event has occurred, the Issuer will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner whether in its opinion it is appropriate to make one or more adjustments to the terms of the Conditions of the Notes to account for the economic effect on the Notes of the relevant Adjustment Event.



- (B) If the Issuer determines that it is appropriate to make such adjustments referred to in (A) above, it will, as soon as reasonably practicable, determine in good faith and in a commercially reasonable manner the nature and effective date of such adjustment(s), and notify the Series Parties and, in accordance with Condition 16, the Noteholders of the occurrence of such Adjustment Event and the details of such adjustments to the Conditions as soon as reasonably practicable upon making such determinations.

With effect from the effective date of any such adjustment, the Issuer and the Series Parties shall take into account the relevant adjustment(s) so notified to it when making any determination and/or calculation it is required to make under the Conditions and the terms of the relevant Series Documents, as appropriate, and the Conditions of the Notes and the terms of the Series Documents shall be construed accordingly. Neither the consent of the Collateral Agent nor the consent of the Noteholders will be required for any such adjustment to the Conditions of the Notes, provided that no such adjustment or amendment may be made which would, in the Collateral Agent's opinion, impose more onerous obligations on the Collateral Agent without its consent.

- (C) If the Issuer determines that it is not appropriate to make such adjustments referred to in (A) above, the Issuer will notify the Series Parties and, in accordance with Condition 16, the Noteholders that the Notes will be redeemed and, for the purposes of Condition 7.8, a Mandatory Redemption Event in the form of a "**Disruption Redemption Event**" will occur.

## 9. **Payments, calculations, Agents and records**

### 9.1 **Payments net of Taxes**

All payments in respect of the Notes shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments in respect of the Notes, the Noteholders will be subject to, and shall not be entitled to receive amounts to compensate for, any such Tax or deduction or any other amounts withheld or deducted pursuant to Condition 9.3. No Event of Default shall occur as a result of any such withholding or deduction.

### 9.2 **Payments**

- (A) For as long as the Notes are represented by a Global Bearer Notedeposited with a central depository on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the Notes will be discharged by payment to, or to the order of, the holder of the Global Bearer Note, subject to and in accordance with the terms of such Global Bearer Note. Each of the persons shown in the records of the Relevant Clearing System as owning Notes represented by such Global Bearer Note must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Bearer Note. Payments made to any person shown in the records of the Relevant Clearing System as owning any Note represented by the Global Bearer Note shall be subject to and made in accordance with the rules of the Relevant Clearing System.
- (B) Notwithstanding the foregoing, for so long as the Notes are represented by a Global Bearer Note, if any amount payable in respect of such Notes is payable in U.S. dollars, such U.S. dollar payments shall be made at the specified office of a Paying Agent in the U.S. if:
- (1) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount due in respect of the Notes in the manner provided above when due;
  - (2) payment of the full amount due at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of the amount due in U.S. dollars; and
  - (3) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

### 9.3 **Payments subject to fiscal laws**

All payments in respect of the Notes will be subject in all cases to (i) any applicable fiscal or other laws, regulations and directives but without prejudice to the provisions of Condition 9.1 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986 or otherwise imposed pursuant to Sections 1471 through 1474 of the United States Internal Revenue Code of 1986, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto (in each case without prejudice to the provisions of Condition 9.1). No commission or expenses shall be charged to the Noteholders in respect of such payments.

### 9.4 **Calculations**

- (A) The Calculation Agent will, as soon as reasonably practicable on such date and/or at such time as the Calculation Agent is required in accordance with the Calculation Agency Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.
- (B) The calculation by the Calculation Agent of any amount, price, rate or value required to be calculated by the Calculation Agent under the Relevant Provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Noteholders and the Series Parties.

### 9.5 **Calculation by Collateral Agent**

If at any time after the Issuer Security has become enforceable pursuant to Condition 5.2 and the Calculation Agent does not make any calculation relating to the Note Value, Final Redemption Amount, Optional Redemption Amount or Mandatory Redemption Amount when required pursuant to the Conditions and the Series Documents, then the Collateral Agent may appoint an agent on its behalf to make any calculation in place of the Calculation Agent provided that the Collateral Agent shall have been pre-funded and/or secured and/or indemnified to its satisfaction by one or more Noteholders in accordance with the CA Pledge Agreement. Any such calculation made on behalf of the Collateral Agent shall for the purposes of the Conditions and the Series Documents be deemed to have been made by the Calculation Agent. In doing so, the appointed agent shall apply the provisions of the Conditions and/or the relevant Series Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. In the absence of fraud, negligence and wilful default, the Collateral Agent directly or its agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, the Noteholders or any Series Party for any calculation (or any delay in making any calculation) so made.

### 9.6 **Calculation Agent**

- (A) Subject as provided in the Conditions and the Calculation Agency Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Calculation Agent for so long as any of the Notes are outstanding. If the Calculation Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides services of a similar type to those required of the Calculation Agent under the Relevant Provisions or a leading bank or investment banking firm that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Calculation Agent under the Relevant Provisions to act as such in its place.
- (B) The Calculation Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Noteholder, any other Series Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Calculation Agent of its obligations under the Calculation Agency Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Calculation Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Calculation Agent (any such act or omission, a "**Calculation Agent Breach**").
  - (1) If the Calculation Agent would, but for the operation of this Condition 9.6(B)(1), be held liable for any Loss arising as the result of a Calculation Agent Breach, the Calculation Agent shall nevertheless incur no liability to the Issuer, any Noteholder, any other

Series Party or any other person if such Calculation Agent Breach results solely and directly from either (i) the failure by any other Series Party to provide any notice, instruction or direction which such Series Party is required or permitted to give under the Conditions or any relevant Series Document or (ii) a delay in the delivery by any other Series Party of any notice, instruction or direction which such Series Party is required or permitted to give to the Calculation Agent under the Conditions or any relevant Series Document.

- (2) If the Calculation Agent would, but for the operation of this Condition 9.6(B)(2), be held liable for any Loss arising as the result of a Calculation Agent Breach, the Calculation Agent shall nevertheless incur no liability to the Issuer, any Noteholder, any other Series Party or any other person if such Calculation Agent Breach results solely and directly from the reliance by the Calculation Agent upon a rate, amount, quotation, value or other calculation or determination notified to the Calculation Agent pursuant to the Conditions and/or any relevant Series Document which is made by another Series Party in accordance with the Conditions and the terms of any relevant Series Document.
- (C) The Calculation Agent has no obligation towards or relationship of agency or trust with any Noteholder.
- (D) The Calculation Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Calculation Agency Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Calculation Agency Agreement against or on the part of the Calculation Agent. The Calculation Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the CA Pledge Agreement or any other Series Document unless otherwise agreed pursuant to the Relevant Provisions.

## 9.7 Appointment of Agents

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time in accordance with the provisions of the Agency Agreement and / or the Calculation Agency Agreement, as applicable, to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent or the Calculation Agent and to appoint additional or other Paying Agents or Calculation Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Series Documents, the Issuer shall use reasonable endeavours to at all times maintain (i) an Issuing and Paying Agent, (ii) a Calculation Agent and (iii) such other agents as may be required by any stock exchange on which the Notes may be listed. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Noteholders by the Issuer in accordance with Condition 16.

Pursuant to the terms of the CA Pledge Agreement, at any time after an Event of Default or a Potential Event of Default has occurred in relation to the Notes, the Collateral Agent may (i) by notice in writing to the Issuer, the Issuing and Paying Agent and any other Paying Agents and/or the Calculation Agent, require any and all of such Agents, until notified by the Collateral Agent to the contrary, so far as permitted by applicable law to (a) act as agent of the Collateral Agent under the CA Pledge Agreement and the Notes *mutatis mutandis* on the terms of the Agency Agreement (with consequential amendments as necessary) and except that the Collateral Agent's liability for the indemnification, remuneration and all other expenses of such Agents (if any) shall be limited to the amounts for the time being held by the Collateral Agent in respect of the Notes on the terms of the CA Pledge Agreement and which are available (after application in accordance with the relevant order of priority set out in Condition 5.4) to discharge such liability); or (b) deliver the Notes and all moneys, documents and records held by them in respect of the Notes to or to the order of the Collateral Agent or as the Collateral Agent directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Notes to or to the order of the Collateral Agent and not to the Issuing and Paying Agent with effect from the receipt of any such notice by the Issuer; and from then until such notice is withdrawn, provision (1) of Condition 0 shall cease to have effect.

## 9.8 **Business day conventions**

- (A) If any date for payment in respect of any Note is not both a Clearing System Business Day and a Currency Business Day, the holder shall not be entitled to payment until the next following day which is both a Clearing System Business Day and a Currency Business Day or to any interest or other sum in respect of such postponed payment.
- (B) If any date referred to in the Conditions would otherwise fall on a day that is not a Valuation Date, then such date shall be postponed to the next day that is a Valuation Date.

## 9.9 **Records**

For so long as the Notes are represented by a Global Bearer Note, the records of the Relevant Clearing Systems (which expression in this Condition 9.9 means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes) shall be conclusive evidence of the number of the Notes represented by the Global Bearer Note and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of Notes represented by the Global Bearer Note at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

## 10. **Prescription**

Claims against the Issuer for payment under the Conditions in respect of the Notes shall be prescribed and become void unless made within 10 years from the date on which the payment of principal in respect of the Notes first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount outstanding was made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the "**Relevant Date**") save that if the Notes are in global bearer form claims in respect of principal in respect of the relevant Global Bearer Security shall become void unless the Global Bearer Security is presented for payment within a period of 10 years from the appropriate Relevant Date.

## 11. **Events of Default**

If any of the following events (each, an "**Event of Default**") occurs, the Collateral Agent at its discretion may or will, if so directed in writing by holders of a majority of the Notes then outstanding or if so directed by an Extraordinary Resolution, a copy of which has been provided to the Collateral Agent (provided that in each case the Collateral Agent shall have been indemnified and/or secured and/or pre-funded to its satisfaction by one or more Noteholders in accordance with the CA Pledge Agreement), give notice to the Issuer (copied to each Series Party) (such notice an "**Event of Default Redemption Notice**") that the Notes are, and they shall immediately become, due and payable at their Final Redemption Amount:

- (A) the Issuer defaults in the payment of any sum due in respect of the Notes or any of them for a period of 14 calendar days or more;
- (B) the Notes, the CA Pledge Agreement or any other Series Document, which default is incapable of remedy or, if in the opinion of the Collateral Agent capable of remedy, is not remedied within 30 calendar days (or such longer period as the Collateral Agent may permit) after notice of such default shall have been given to the Issuer by the Collateral Agent (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- (C) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Collateral Agent or by an Extraordinary Resolution; or

(D) a special audit is ordered in respect of the Issuer.

The Issuer will, as soon as reasonably practicable after receipt of any Event of Default Redemption Notice, give notice thereof to the Noteholders in accordance with Condition 16 and to the Authorised Participant(s).

The Issuer has undertaken in the CA Pledge Agreement that, on each anniversary of the issue date of the first Series of Notes issued under the Programme and also within 14 calendar days after any request by the Collateral Agent, it will send to the Collateral Agent a certificate signed by a Director of the Issuer to the effect that, as at a date not more than five calendar days prior to the date of the certificate, no Event of Default, or event or circumstance that could with the giving of notice, lapse of time and/or issue of a certificate become an Event of Default, has occurred.

## 12. **Enforcement**

Pursuant to the terms of the CA Pledge Agreement, only the Collateral Agent may, at its discretion and without further notice, take such action or step or institute such proceedings against the Issuer, as it may think fit to enforce the rights of the holders of the Notes against the Issuer whether the same arise under general law, the CA Pledge Agreement or the Notes, any other Series Document or otherwise, but, in each case, it need not take any such action or step or institute proceedings unless in accordance with the terms of the CA Pledge Agreement, the Collateral Agent is so directed by an Extraordinary Resolution a copy of which has been provided to the Collateral Agent or notified in writing by holders of at least a majority of the Notes then outstanding and it shall have been secured and/or pre-funded and/or indemnified to its satisfaction.

Pursuant to the CA Pledge Agreement, only the Collateral Agent may, at its discretion, and shall, if so directed in writing by the holders of at least one fifth in Principal Amount of the Notes or by an Extraordinary Resolution, a copy of which has been provided to the Collateral Agent, subject to its having been pre-funded and/or secured and/or indemnified to its satisfaction by the Noteholders in accordance with the CA Pledge Agreement, enforce the Issuer Security constituted by the CA Pledge Agreement.

None of the Noteholders shall be entitled to proceed directly against the Issuer unless the Collateral Agent, having become bound to proceed in accordance with the terms of the CA Pledge Agreement, fails or neglects to do so within a reasonable time and such failure is continuing.

The Noteholders acknowledge and agree that only the Collateral Agent may enforce the Issuer Security over the Series Assets in accordance with, and subject to the terms of, the CA Pledge Agreement.

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

## 13. **Meetings of Noteholders, modification, waiver, substitution and restrictions**

### 13.1 **Meetings of Noteholders**

A Noteholder representative is not appointed. Noteholder may, in meetings convened in accordance with the law, pass resolutions on certain matters affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions).

Subject to stricter statutory provisions, the quorum at any such meeting for passing an Extraordinary Resolution will be two or more Noteholders or agents present in person holding or representing in the aggregate more than 50 % of the number of the Notes for the time being outstanding or, at any adjourned such meeting, two or more Noteholders or agents present in person being or representing Noteholders, whatever the number of the Notes so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*,

- (i) to amend the dates of maturity or redemption of the Notes
- (ii) to change any method of calculating the Final Redemption Amount, the Optional Redemption Amount or the Mandatory Redemption Amount,
- (iii) to change the currency or currencies of payment or Denomination of the Notes,
- (iv) to take any steps which as specified in the CA Pledge Agreement may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply,
- (v) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution,
- (vi) to modify the provisions of the Base Prospectus or the Final Terms, or the CA Pledge Agreement concerning this exception,
- (vii) to modify any other provisions specifically identified for this purpose in the Base Prospectus or the Final Terms

will only be binding if passed at a meeting of the Noteholders, the quorum at which shall be Noteholders or agents present in person holding or representing in the aggregate not less than 75 % of the nominal capital of Notes issued and outstanding.

A resolution in writing signed by or on behalf of the holders of not less than 75 % of the aggregate nominal capital of the Notes issued and outstanding shall for all purposes be considered as valid and effectual as an Extraordinary Resolution passed at a meeting of Noteholders.

## 13.2 **Modification of the relevant Series Documents**

- (A) Subject to Condition 13.3 (F), the Issuer may, without the consent of the Noteholders, (i) make any modification to these Conditions and/or any Series Document which is, in the opinion of the Issuer, of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Series Document that is in the opinion of the Issuer not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver will be binding on the Noteholders and will be notified by the Issuer to the Noteholders in accordance with Condition 16 as soon as reasonably practicable. If and to the extent required by applicable law, a supplement to the Prospectus will be established and filed for approval with the Liechtenstein FMA.
- (B) The Issuer may furthermore, without the consent of the Noteholders, make any modification to these Conditions and/or any Series Document which is not specifically stated therein to require the consent of the Noteholders, including any modification which is made:
  - (1) in connection with the accession of a new Authorised Participant to the Programme; or
  - (2) to effect any adjustment to the Conditions of the Notes pursuant to Condition 8.3 as a consequence of the occurrence of an Adjustment Event provided that:
    - (a) the adjustments so agreed have the consequence that at the time of the adjustments there is no negative change to the Note Value in respect of the Notes; and
    - (b) the adjustments do not take effect until at least three calendar days have elapsed after they are announced to the Noteholders in accordance with Condition 16.

### 13.3 Substitution

The Issuer may delegate and transfer, without the consent of the Noteholders, but subject to the prior consent of each Authorised Participant, any and all obligations on the basis of this Prospectus and the Notes issued thereunder and may therefore be substituted as the principal debtor under this Prospectus and the Series Documents to which it is a party and the Notes of each Series, by any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"), provided that:

- (A) a deed is executed or undertaking given by the Substituted Obligor to the Collateral Agent, in form and manner satisfactory to the Collateral Agent, agreeing to be bound by the CA Pledge Agreement and the Notes of each Series (with such consequential amendments as the Collateral Agent may deem appropriate) as if the Substituted Obligor had been named in the CA Pledge Agreement and the Notes as the principal debtor in place of the Issuer;
- (B) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Series Assets, acknowledges the Issuer Security created in respect thereof pursuant to the CA Pledge Agreement and takes all such action as may be required by the Series Parties so that the Issuer Security constitutes a valid charge, pledge or other security interest over the Series Assets as was originally created by the Issuer for the obligations of the Substituted Obligor;
- (C) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Series Parties need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;
- (D) the Series Parties will be satisfied (if required, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the Notes of each Series and any Series Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;
- (E) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that each Series Party will execute such other deeds, documents and instruments (if any) as the may be required in order that such substitution is fully effective and comply with such other requirements in the interests of the Noteholders;
- (F) the Issuer and the Substituted Obligor comply with such other requirements as the Series Parties may direct in the interests of the Noteholders; and

a legal opinion is provided to the Series Parties concerning any proposed substitution and the Issuer and the Substituted Obligor shall give notice of the substitution to the Noteholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 13.3, the Substituted Obligor shall be deemed to be named in these Conditions, the CA Pledge Agreement, the other Series Documents and the Notes as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the CA Pledge Agreement, the other Series Documents and the Notes shall be deemed to be amended as necessary to give effect to the substitution.

### 13.4 Prohibition on U.S. persons

Notes may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Notes who contravenes such prohibition to void the transfer of such Notes to such legal or beneficial owner or to redeem any such Notes held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Notes on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the Note Value prevailing

at the time such transfer is voided. Terms used in this Condition 13.4 have the meanings given to them by Regulation S under the Securities Act.

#### 13.5 **ERISA prohibition**

Notes may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an "**Employee Benefit Plan**" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") applies (a "**Plan**") or (iii) an entity whose constituent assets include "**Plan Assets**" (as determined pursuant to the "Plan Assets Regulation" issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a "**Similar Law**") unless its acquisition and holding and disposition of such Note, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Notes who contravenes such prohibition to void the transfer of such Notes to such legal or beneficial owner or to redeem any such Notes held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the issuer selling such Notes on behalf of such legal or beneficial owner at the lesser of the purchase price therefor or the Note Value prevailing at the time such transfer is voided. Terms used in this Condition 13.5 have the meanings given to them by the Code.

#### 14. **Replacement of Notes**

If a Note in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent or such other Paying Agent, as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note) and otherwise as the Issuer may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

#### 15. **Issue of further Series of Notes**

Subject to Condition 5, the Issuer may, from time to time (without the consent of the Noteholders), create and issue further securities either having the same terms and conditions as the Notes in all respects and so that such further issue shall be consolidated and form a single Series with the Notes or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

Only an Authorised Participant may request that the Issuer issue additional Notes by delivering a valid Subscription Order subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

The Issuer will only accept a Subscription Order and issue Notes if:

- (A) a Subscription Order is given by an Authorised Participant and determined to be valid by or on behalf of the Issuer;
- (B) the acceptance of such Subscription Order will not cause any Subscription Limit for the Notes to be exceeded; and
- (C) all conditions precedent to an issue of the Notes are satisfied.



The Issuer shall have no obligation to issue further Notes and no obligation to accept any Subscription Orders from (but excluding) the fifth Valuation Date preceding the Final Redemption Date of the Notes.

In accordance with the terms of the Authorised Participant Agreement(s) and the Operating Procedures Agreement, the Issuer will not be obliged to accept any Subscription Order and/or issue Notes if (i) a Subscription Suspension Event has occurred and is continuing, and/or (ii) a Mandatory Redemption Event has occurred. If an Issuer Call Redemption Notice is delivered, the last day on which the Issuer is required to accept a valid Subscription Order shall be the fifth Business Day preceding the related Mandatory Redemption Date designated in such notice. If a Mandatory Redemption Event occurs, the last day on which the Issuer is required to accept a valid Subscription Order shall be the date of the notice designating such event.

The Issuer may suspend the issuance of further Notes at any time. If a Subscription Suspension Event occurs, the Issuer shall not accept any Subscription Orders for the Notes with effect from the date of suspension specified in the relevant notice to the Calculation Agent and the Authorised Participants until such time (if any) as the Issuer notifies such Series Parties that it shall recommence the issue of further Series of the Notes. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Valuation Date following the date of such notice. The Issuer shall give notice to Noteholders in accordance with Condition 16 of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

In relation to any Subscription Order which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date of the occurrence of an Event of Default, each such Subscription Order shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.

In relation to any Subscription Order which is valid but in respect of which the Notes are pending issue and settlement to the relevant Authorised Participant as at the Mandatory Redemption Date, the Final Redemption Date or the date of delivery of an Event of Default Redemption Notice (due to the Subscription Settlement Date not having occurred at such date, the relevant Authorised Participant not having delivered in full the relevant subscription amount on a Subscription Settlement Date falling prior to such date, or otherwise), any such Subscription Order shall automatically be cancelled with effect from such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable).

If at any time after the occurrence of the Subscription Settlement Date in respect of which the relevant Authorised Participant has not paid in full the related Subscription Amount a Mandatory Redemption Event occurs, the Final Redemption Date occurs or an Event of Default Redemption Notice is delivered, the Notes issued on any such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Mandatory Redemption Date, Final Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). Notes requested for issue and subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.

In relation to any Subscription Order, the Issuer may in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement agree with the relevant Authorised Participant that the obligation of the Authorised Participant to pay the relevant subscription amount (the "**Relevant Subscription Amount**") shall be satisfied by the delivery to, or to the order of, the Issuer of assets suitable as components of the Series Assets which the Calculation Agent determines have a value on the Subscription Trade Date, after taking account of any costs of transfer or delivery which are to be discharged by the Issuer, which is equal to the Relevant Subscription Amount.

Any new securities forming a single Series with Notes already issued and which are secured in accordance with the terms of the CA Pledge Agreement will, upon the issue thereof by the Issuer, be secured by the terms of the CA Pledge Agreement without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the CA Pledge Agreement or the Programme Maximum Number of Notes and shall be secured by the Series Assets (as increased and/or supplemented in connection with such issue of such new securities).

## 16. **Notices**

16.1 All notices to holders of Notes shall be valid if:

(A) they are:

- (1) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
- (2) published on the Issuer's Website [www.vaneck.com](http://www.vaneck.com);

(B) for so long as the Notes are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; and

(C) for so long as the Notes are in global form, notices required to be given in respect of the Notes represented by a Global Bearer Note are given by their being delivered (so long as the Global Bearer Note is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Bearer Note, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the Notes on the Clearing System Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

16.2 If, in the opinion of the Issuer, any such publications above are not practicable, notice shall be validly given if published in another leading daily newspaper with general circulation in the relevant country.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

## 17. **Relevant Clearing System**

None of the Issuer or the Agents will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

## 18. **Governing law and jurisdiction**

18.1 Governing law

The Base Prospectus, the CA Pledge Agreement and the Notes (including any Global Bearer Note), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, German law.

18.2 **Jurisdiction**

The courts of Liechtenstein are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Notes and, accordingly, any legal action or proceedings arising out of or in connection with any Notes ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Collateral Agent and the Noteholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

## FORM OF FINAL TERMS

The following are Pro Forma Final Terms for the issue of Notes by VanEck ETP AG under the VanEck Vectors Exchange Traded Note Programme as further described in this Base Prospectus. Issue Specific Final Terms will be published and filed with the FMA with regard to each Series of Notes issued on the basis of this Base Prospectus. Issue Specific Final Terms for each Series of Notes will also be published on the Issuers website [www.vaneck.com](http://www.vaneck.com).

---

Final Terms dated: [                    ]

### VanEck ETP AG

*(a society limited by shares incorporated in Liechtenstein)*

Issue of

[number] [Series] Notes

pursuant to the

VanEck Vectors Exchange Traded Note Programme

(the "Notes")

This document constitutes the Final Terms in the meaning of Art 8 of the Prospectus Regulation of the Notes described herein. These Final Terms must always be read in conjunction with the Base Prospectus issued by the Issuer and approved by the Liechtenstein FMA on 28 September 2020 (the "Base Prospectus") together with supplements, if any, in order for an investor to obtain any and all information relevant for a decision whether to invest in the Notes. Full information on VanEck ETP AG (the "Issuer") and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus (together with any supplement thereto) is available on the website of the Issuer at [www.vaneck.com](http://www.vaneck.com). Terms used in these Final Terms bear the same meaning as in the Base Prospectus.

**A summary of the individual issue is annexed to these Final Terms.**

The Base Prospectus (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the EEA in which the Prospectus Regulation is applicable (each, a "**Relevant Member State**") will be made pursuant to an exemption under the Prospectus Regulation, as implemented or applicable in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes.

Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer; or
- (ii) in those Non-exempt Offer Jurisdictions mentioned in the following paragraph, provided such person is one of the persons mentioned in the following paragraph and that such offer is made during the Offer Period specified for such purpose therein.

An offer of the Notes may be made by the Issuer or by Authorised Participants other than pursuant to Article 3(2) of the Prospectus Regulation in Liechtenstein, Germany, the Netherlands, Italy, the United Kingdom and Switzerland ("**Non-exempt Offer Jurisdictions**") during the period from approval and publication of the Prospectus until one year after the date of approval of the Prospectus by the Liechtenstein FMA (the "**Offer Period**").

Neither the Issuer nor any Authorised Participant has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129 (and delegated acts thereto, including Commission Delegated Regulations (EU) 2019/979 and 2019/980).

**Target market:** The Issuer considers that the Notes described in these Final Terms are suitable for retail and institutional investors.

## PART A – CONTRACTUAL TERMS

Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 28 September 2020 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**") *The particulars in relation to this issue of Notes are as follows:*

- |     |   |  |
|-----|---|--|
| 1.  | Series of Notes to which these Final Terms apply: | [ ]  |
| 2.  | Number of Notes to which these Final Terms apply: | [ ]  |
| 3.  | Issue Date:                                       | [ ]  |
| 4.  | Series Issue Date:                                | [ ]  |
| 5.  | Issue Price:                                      | [ ] per Note   |
| 6.  | Principal Amount:                                 | Up to [...] ([ ] per Note)                                 |
| 7.  | Relevant Currency:                                | [...]  |
| 8.  | Final Redemption Date:                            | [•] 2068   |
| 9.  | Redemption Amount:                                | Note Value less <i>pro rata</i> costs in Relevant Currency |
| 10. | Denomination:                                     | [Principal Amount]   |
| 11. | Index   | [ ]  |
| 12. | Index Administrator                               | [...]  |
| 13. | Series Assets / Sampling                          | [...]  |
| 14. | Interest  | [...]  |
| 15. | Form of Notes:                                    | [Global Bearer Note]                                       |
| 16. | Price Information                                 | [...]  |

The Issuer accepts the responsibility for the information contained in these Final Terms.

[ ] has been extracted from [ ].

The Issuer confirms that any additional information provided by [...] has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading].

## PART B – OTHER INFORMATION

17. **Listing and admission to trading:** [Application will be made to Deutsche Börse Xetra [...] and / or any other regulated or unregulated market the Issuer

considers suitable for the Notes to which these Final Terms apply to be admitted to trading.]

18. **Notification**

The FMA has provided the competent authorities of the [and [names of other competent authorities of host member states of the EEA]] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

19. **Interests of natural and legal persons involved in the issue**

Various subsidiary companies of Van Eck Associates Corporation do participate in the offer of the Notes or are subsequently involved in functions relating to the Notes (e.g. the Arranger and Calculation Agent).

Four of the directors of the Issuer are employees of affiliates of Van Eck Associates Corporation in Europe and might therefore be subject to conflicts of interest. However, the directors are subject to the global and local conflict of interest policies and procedures of Van Eck Associates Corporation.

Furthermore, there are currently no conflicts of interest between the members of the board of directors of the Issuer and the private interests of the directors.

20. Names and addresses of additional [...] Paying Agent(s) (if any):

21. **Distribution**

Non-exempt Offer:

[Not Applicable] [An offer of the Notes may be made by the Authorised Participants specified in Paragraph 8 of Part B below other than pursuant to Article 1(4) of the Prospectus Regulation in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] ("**Non-exempt Offer Jurisdictions**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [ ] Business Days thereafter"] ("**Offer Period**"). See further Paragraph 8 of Part B below.]

Additional Selling Restrictions: [Not Applicable]

22. **Information about the past and the further performance of the Index and its volatility**

Information about the past and further performance of the Index and its volatility can be obtained from: [Include name of the Index and details of where information about the past and future performance of the Index and its volatility can be obtained.]

23. **Operational Information**

ISIN Code: [ ]

Common Code: [ ]

Names and addresses of additional Paying Agent(s) (if any): [ ]

24. **Terms and Conditions of the Offer**

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: *[insert any applicable additional conditions to offer]*

Offers of the Notes are conditional upon their issue and, as between the Authorised Participant(s) and their customers, any further conditions as may be agreed between them.

Description of the application process: [Not Applicable/give details]

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]

Details of the minimum and/or maximum amount of application: [Not Applicable/give details]

Details of the method and time limited for paying up and delivering the Notes: [Not Applicable/The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys]

Manner in and date on which results of the offer are to be made public: [Not Applicable/give details]

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/give details]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/give details]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/give details]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: [None/give details]

Name and address of financial intermediary/ies authorised to use the Base Prospectus, as completed by these Final Terms (the "**Authorised Participants**"): Flow Traders B.V. [and] [each Authorised Participant expressly named as an Authorised Participant on the Issuer's website ([www.vaneck.com](http://www.vaneck.com))]

25 Parties to the Series

[...]

[...]

26. **Governing Law** German

## **ANNEX – ISSUE SPECIFIC SUMMARY**

*[Issue specific summary of the Notes to be inserted if (i) the Notes are to be listed on a regulated market in the EEA or (ii) publicly offered in a member state of the EEA]*

## **SETTLEMENT AND CLEARING OF NOTES**

Custodial and depositary or safekeeping links have been (or will be) established with Clearstream Banking Frankfurt to facilitate the initial issuance of Notes. Transfers within Clearstream Banking Frankfurt will be in accordance with the usual rules and operating procedures of the relevant system.

### **Clearstream Banking Frankfurt**

Clearstream Banking Frankfurt holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between its participants through electronic book-entry changes in accounts of such participants. Clearstream Banking Frankfurt provides to its participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Banking Frankfurt participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Clearstream Banking Frankfurt is also available to others, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Clearstream Banking Frankfurt participant, either directly or indirectly.

Distributions of principal with respect to book-entry interests in the Notes held through Clearstream Banking Frankfurt will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of Clearstream Banking Frankfurt participants in accordance with the relevant system's rules and procedures.



## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

A Series of Notes may, subject to all applicable legal and regulatory requirements, be issued in Series comprising bearer securities or in dematerialised uncertificated registered form which shall not be exchangeable for bearer securities as specified in the applicable Final Terms. The summary that follows is only in relation to bearer securities.

Bearer securities will be issued in global note form ("**Global Bearer Note**").

### **Initial Issue of Notes**

The Global Bearer Note will be delivered on or prior to the original issue date of the Series to a Central Depository. Depositing the Global Bearer Note with the Central Depository does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

With regard to the Global Bearer Note held by Clearstream Banking Frankfurt (the "**Central Depository**"), Clearstream Banking Frankfurt will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Bearer Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Central Depository may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream Banking Frankfurt held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream Banking Frankfurt or other clearing systems.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Clearstream Banking Frankfurt or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Bearer Security must look solely to Clearstream Banking Frankfurt or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Bearer Note and in relation to all other rights arising under the Notes, subject to and in accordance with the respective rules and procedures of Clearstream Banking Frankfurt or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Bearer Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Bearer Note in respect of each amount so paid.

### **Amendments to Conditions while Notes in global form**

The Global Bearer Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Base Prospectus. The following is a summary of those provisions:

#### ***Meetings***

For the purposes of any meeting of Noteholders, the holder of the Notes represented by a Global Bearer Note shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Bearer Note shall be treated as having one vote in respect of each Note represented by such Global Bearer Note.

#### ***Cancellation***

Cancellation of any Note represented by a Global Bearer Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the number of Notes represented by the relevant Global Bearer Note which shall always represent the aggregate number of Notes outstanding from time to time.

#### ***Issuer's call option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Bearer Note shall be exercised by the Issuer giving notice to the Noteholders and containing the information required by the Conditions.

***Nominal amount***

The Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Bearer Note shall be adjusted accordingly.

***Collateral Agent's Powers***

In considering the interests of Noteholders while any Global Bearer Note is held on behalf of a clearing system, the Collateral Agent may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Bearer Note and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Bearer Note.

## SUMMARY OF THE SERIES DOCUMENTS

*The following are summaries of certain provisions of the principal agreements entered into by the Issuer in relation to each Series of Notes and are qualified in their entirety by reference to the detailed provisions of each such agreement. The following summaries do not purport to be complete, and prospective investors must refer to each series agreement for further information regarding such agreement.*

*The following agreements are material for the implementation of this Programme as they specifically govern custodianship of the Series Assets as well as the collateral established on the Series Assets for the benefit of the Noteholders.*

*Capitalised terms used in the summaries below but not defined therein shall have the meanings given to such terms in the Conditions.*

### **Collateral Agent & Pledge Agreement**

The Notes of each Series shall be secured by a pledge as constituted and governed by or pursuant to an instrument relating to the Notes and dated the Series Issue Date (as defined in the Conditions) between the Issuer and the Collateral Agent (the “**Collateral Agent & Pledge Agreement**”, “**CA Pledge Agreement**”).

Pursuant to the CA Pledge Agreement in respect of a Series of Notes, the obligations of the Issuer relating to that Series shall be secured in favour of the Collateral Agent, for its benefit and the benefit of the Issuer Secured Creditors, by the security over the Series Assets, as described in the section of this Base Prospectus headed “*Security Arrangements*”.

The relevant CA Pledge Agreement further contains the provisions setting out the various obligations of the Issuer and the Collateral Agent with respect to the relevant Series of Notes, and will set out the covenants given by the Issuer in relation to such Series, including, without limitation, its covenant to pay, provisions relating to its duty to provide various persons with information, to prepare and display certain information, only to do such things as are contemplated within the applicable CA Pledge Agreement (most importantly, in relation to the issue and performance of the Notes) and its duties with respect to its obligations under the Notes. Each CA Pledge Agreement will also set out the basis for the remuneration and indemnification of the Collateral Agent in respect of its duties, the conditions for appointment, retirement and removal and contains provisions which are supplemental to certain statutory provisions and which set out the powers of the Collateral Agent and the extent of its duties.

The Collateral Agent is a subsidiary of Van Eck Associates Corporation and is holding 100 % of the shares in the Issuer VanEck ETP AG. Notwithstanding the before stated, the Collateral Agent is and will act independently in the context of its function as Collateral Agent under the terms of the Notes, which will also be safeguarded by organisational structures within the Collateral Agent.

### **Agency Agreement**

An agency agreement (the “**Agency Agreement**”) shall be concluded between the Issuer, the Issuing and Paying Agent and any other “Paying Agents” (such other Paying Agents being defined as such together with the Issuing and Paying Agent) and the Collateral Agent.

The Agency Agreement sets out the duties and obligations of the relevant Agents in relation to: (i) the issue, payment, cancellation and listing of the Notes and (ii) the basis for the remuneration and indemnification of each Agent appointed in respect of the relevant Series in respect of their respective duties.

The Agency Agreement also sets out the terms for the appointment, resignation (by at least 90 calendar days’ prior notice to the Issuer, the Collateral Agent and the other Agents) and termination of the appointment of the Issuing and Paying Agent (by at least 90 calendar days’ prior notice from the Issuer or on the occurrence of certain events, such as where such agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

The Collateral Agent is a subsidiary of Van Eck Associates Corporation and is holding 100 % of the shares in the Issuer VanEck ETP AG. Notwithstanding the before stated, the Collateral Agent is and will act independently in the context of its function as Collateral Agent under the terms of the Notes, which will also be safeguarded by organisational structures within the Collateral Agent.

## Calculation Agency Agreement

A calculation agency agreement (the “**Calculation Agency Agreement**”) shall be concluded between the Issuer and the Calculation Agent.

The Calculation Agency Agreement sets out the duties and obligation of the Calculation Agent in relation (i) to making such non-discretionary calculations and give such notices of the outcome thereof as expressly required to be performed by it under the Series Documents, and (ii) as soon as practicable on each date on which or at such time at which the Calculation Agent is expressly required under the Series Documents to calculate any amount, price, rate or value to give any notice relating thereto, making such calculations and delivering such notices expressly required to be given by it (in its capacity as Calculation Agent) in accordance with the Series Documents and obtaining any quotation, rate or value required in connection therewith as soon as reasonably practicable or as otherwise specified in the Series Documents.

The Calculation Agency Agreement also sets out the terms for the appointment and termination of the appointment of the Calculation Agent. The appointment of the Calculation Agent may be terminated: (i) by at least 180 days’ prior notice from any party to each other party; (ii) by any party giving prior written notice in writing to the other parties that such party has materially failed to perform its duties and obligations and has failed to remedy such failure within 60 days of being so notified; (iii) by any party giving 90 days prior notice in writing to the other parties prior to the “liquidation” of any one or more Series; or (iv) immediately on the occurrence of certain events, such as where the Calculation Agent becomes incapable of acting, is dissolved, is adjudged bankrupt or insolvent, files for bankruptcy, makes a general assignment, arrangement or composition for the benefit of its creditors, consents to the appointment of a receiver, administrator or similar official or a resolution is passed for its winding up, official management, liquidation or dissolution).

The Calculation Agent is a subsidiary of Van Eck Associates Corporation and is holding 100 % of the shares in the Issuer VanEck ETP AG. Notwithstanding the before stated, the Collateral Agent is and will act independently in the context of its function as Collateral Agent under the terms of the Notes, which will also be safeguarded by organisational structures within the Collateral Agent.

## Custody Agreement

On or about the Series Issue Date, the Issuer and the Custodian will enter into an Liechtenstein law governed custody and safekeeping agreement (the “**Custody Agreement**”).

The Custody Agreement sets out the duties and obligations of the Custodian in relation to (i) the holding of the Custodied Assets and the Digital Assets acquired by the Issuer and (ii) the basis for the remuneration and indemnification of the Custodian.

A description of the manner in which the Digital Assets will be held on behalf of the Issuer in accordance with the terms of the Custody Agreement are included in the section of this Base Prospectus headed “*Digital Assets Custody*”.

## Authorised Participant Agreement

An authorised participant agreement (the “**Authorised Participant Agreement**”) shall be concluded between the Issuer and each Authorised Participant. Such Authorised Participant Agreement sets out the terms on which an Authorised Participant will act as Authorised Participant in relation to each Series of Notes issued by the Issuer under the Programme. Each Authorised Participant appointed by the Issuer shall enter into an authorised participant agreement on substantially equivalent terms.

The Authorised Participant Agreement sets out the conditions for appointment, resignation (by at least 60 calendar days’ prior notice to the Issuer and each other Series Party) and termination (by the Issuer with immediate effect if an Authorised Participant Bankruptcy Event occurs and in any other circumstance by at least 30 calendar days’ prior notice, of the appointment of the relevant Authorised Participant, unless there is more than one Authorised Participant, in which case the Issuer may terminate the appointment of any Authorised Participant with immediate effect for a material breach of its obligations which to the extent such breach is capable of being remedied is not remedied within 15 calendar days of the relevant Authorised Participant becoming aware of, or its receiving notice from the Issuer, the Issuing and Paying Agent or the Collateral Agent of such breach or if the Issuer determines, in good faith and in a commercially reasonable manner, that the conduct of such Authorised Participant is materially detrimental to the reputation or development potential of the business of the Issuer or any other Series Party or the relationships of those

entities with third parties). The Authorised Participant Agreement includes an indemnity from the Issuer relating to the representations and warranties given by the Issuer in such agreement.

### **Operating Procedures Agreement**

An operating procedures agreement (the “**Operating Procedures Agreement**”) will be concluded between, among others, the Issuer and each Authorised Participants. Any further Eligible Authorised Participant which accedes in respect of the Series after the Series Issue Date will be required to become a party to the Operating Procedures Agreement. The Operating Procedures Agreement will set out the relevant procedures by which any Authorised Participant may subscribe for Notes of a Series from the Issuer, or redeem Notes of a Series to the Issuer.

### **Cost Transfer Agreement**

In addition to the Series Documents, the Issuer and VanEck (Europe) GmbH have entered into a Cost Transfer Agreement according to which VanEck (Europe) GmbH has committed to bear any and all costs related to the establishment and ongoing maintenance of the Issuer as well as to the Issue of (Series of) Notes on the basis of this Base Prospectus (and Final Terms for the relevant Series of Notes).

## DIGITAL ASSETS CUSTODY

*The following description of the safekeeping arrangements in respect of the Digital Assets consists of a summary and overview of certain provisions of the Custody Agreement relating to a Series of Notes, and is qualified in its entirety by reference to the detailed provisions of each such Custody Agreement. .*

The Issuer stores each unit of the digital assets (each such unit a “**Digital Asset**”) in a digital wallet created and maintained for and on behalf of the Issuer by the Custodian, which is a bank licensed and with domicile in Liechtenstein. The Custodian is responsible for up-to-date safety and security measures with regard to the wallet.

Under the Custody Agreement, the Custodian will credit all Digital Assets properly authorized by the Issuer to the wallets, as applicable. Such credit will be made on the same business day as the transaction is finalized by the relevant network, except that transactions finalized after 16:00 h (Liechtenstein time) may be processed on the next business day.

The Custody Agreement provides that the Issuer will be able to access the wallets via the Issuer’s services at all times, in order to check information about the wallet and add and withdraw Digital Assets from the wallets and otherwise use the Custodian’s services within the framework of the Terms and Conditions of the Notes and the CA Pledge Agreement. The Custody Agreement further provides that the Issuer’s auditors and/or third-party accountants, as well as the Collateral Agent, upon reasonable notice, have inspection rights to visit and inspect the Custodian and the wallets.

The Custodian will, provided that and as long as no Event of Default has occurred, only allow withdrawals from the wallets by authorized representatives of the Issuer and subject to and in line with the terms of the CA Pledge Agreement. Such withdrawals will be made on the same business day as the transaction is finalized by the relevant network, except that transactions finalized after 16:00 h (Liechtenstein time) may be processed on the next business day.

## SECURITY ARRANGEMENTS

*The following description of the security arrangements relating to the Programme consists of a summary and overview of certain provisions of the CA Pledge Agreement relating to a Series of Notes, and is qualified in its entirety by reference to the detailed provisions of each such CA Pledge Agreement.*

The Issuer's obligations in respect of the Notes of each Series are secured by the **Issuer Security** created by the CA Pledge Agreement relating to such Series and Series Assets.

The Issuer Security created by the CA Pledge Agreement in respect of a Series of Notes is granted to the Collateral Agent as continuing security for the Noteholders.

### **CA Pledge Agreement**

Pursuant to the CA Pledge Agreement relating to a Series of Notes, in respect of that Series the obligations of the Issuer under the Notes shall be secured by a charge in favour of the Collateral Agent, for the benefit of the Noteholder, on:

- (i) all sums held now or in the future by or on behalf of the Issuer (including, without limitation, by the Issuing and Paying Agent) to meet payments due in respect of the obligations and duties of the Issuer under the CA Pledge Agreement and the Notes and all rights and claims of the Issuer relating to such sums,
- (ii) the Series Assets and any sums of money or other property received or receivable now or in the future by or on behalf of the Issuer from or in context with the Series Assets and all rights and claims of the Issuer with regard to the Series Assets and such sums or property,
- (iii) all of the Issuer's rights and claims as against the Custodian, relating to the Notes, and
- (iv) all of the Issuer's rights and claims in respect of any sum or property now or in the future standing to the credit of the Series Account,

in each case, to the extent that they relate to such Series of the Notes.

Under the CA Pledge Agreement, the parties agree that the Issuing and Paying Agent, if and to the extent he holds assets for and on behalf of the Issuer, and the Custodian holding the Series Assets in the Series Account(s), will register the charge in favour of the Collateral Agent for the benefit of the Noteholders with regard to the respective accounts and will exclusively comply with the instructions issued by the Collateral Agent with respect to the disposition of the assets held by the Issuing and Paying Agent or the Custodian. The circumstances and manner of issuing such instructions will be further described in the CA Pledge Agreement.

### **Enforcement of the Issuer Security**

The Issuer Security constituted by the CA Pledge Agreement in respect of a Series of Notes will become enforceable if an Event of Default occurs with respect to such Notes. The proceeds of such enforcement will be applied in accordance with the order of priority set out in Condition 5.4 of the Notes.

## THE ISSUER

### General

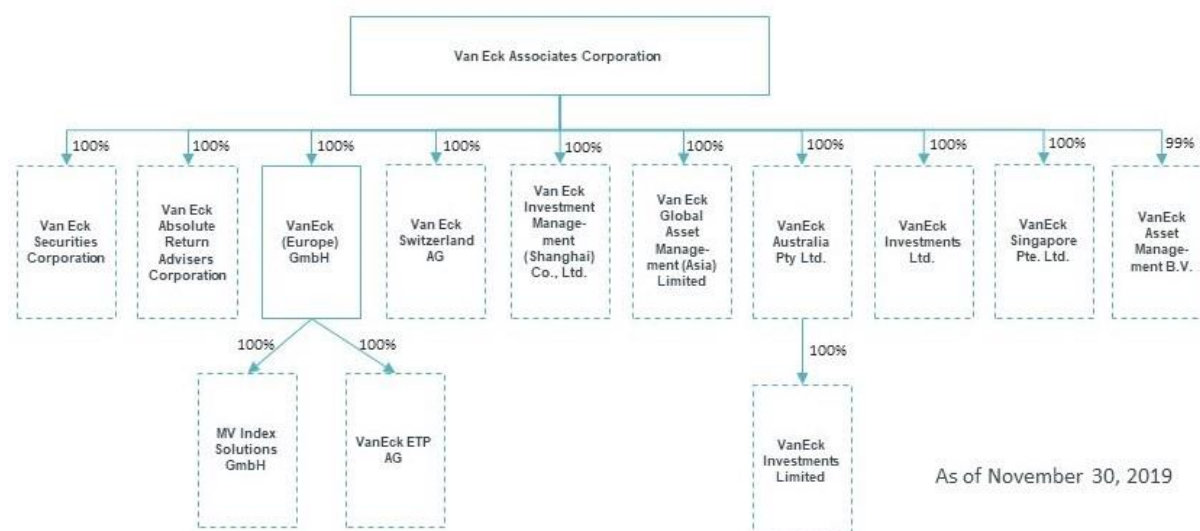
The Issuer was incorporated as VanEck ETP AG on 16.07.2020 as a society limited by shares and is validly existing under the Liechtenstein Persons and Companies Act (with registered number FL-0002.640.173-8).

The Issuer has been established as a special purpose vehicle for the purposes of issuing collateralised exchange traded securities. The Issuer is incorporated and registered in Liechtenstein and operates subject to the laws of Liechtenstein. The registered office of the Issuer is at Landstrasse 36, 9495 Triesen, Liechtenstein. The LEI (Legal Entity Identifier) of the Issuer is 529900R2B8HNG8H5ED30.

Further information on the Issuer can be found on the website [www.vaneck.com](http://www.vaneck.com). Neither this website nor its contents do form part of this Prospectus.

### Share Capital and Shareholders

The Issuer is part of the VanEck group:



The authorised share capital of the Issuer is 50'000 USD divided into 50,000 registered shares of USD 1.00 each (the "**Issuer Shares**"), all of which are issued and fully paid up. The sole shareholder of the Issuer is VanEck (Europe) GmbH, the shares of which are 100 % held by Van Eck Associates Corporation. The shareholding in Van Eck Associates Corporation in turn is split between a number of private trust structures. The Issuer has no subsidiaries.

There has been no material adverse change in the financial position or prospects of the Issuer since the date of its incorporation. Save for the issue of Notes and their related arrangements contemplated in this Base Prospectus, the Issuer has no borrowings or indebtedness in the nature of borrowing and no contingent liabilities or guarantees.

### Business

The principal objects of the Issuer are, according to Art 3 of its Articles of Association the issuance of financial instruments such as (but not limited to) the Notes; the acquisition, administration and sale of participations in other entities (including service companies and / or manufacturing companies) in Liechtenstein and abroad; to act as holding company; acquisition, management and sale of real estate and other tangible assets of all kind in Liechtenstein and abroad; commercial transactions of all kind for own and third-party account in Liechtenstein and abroad; processing of financial and legal transactions of all kind in context with the management of the company or useful for its purposes. The Issuer must not perform activities which are



subject to a licensing requirement on the basis of specific legal acts and which require a license from the Liechtenstein Financial Markets Authority.

The assets of the Issuer will consist solely of the Series Assets and the issued and paid-up capital of the Issuer and fees. The only assets of the Issuer available to meet claims of Noteholders and other secured creditors of the Issuer are the Series Assets, which are pledged to the Collateral Agent for the benefit of the Noteholders of a specific Series of Notes. The Issuer will be paid a fee for agreeing to issue the relevant Notes. Other than the fees paid to the Issuer, its share capital and any income derived therefrom, there is no intention that the Issuer accumulates surpluses. Based on a cost transfer agreement between the Issuer and Van Eck (Europe) GmbH, the latter will bear the costs related to the establishment and ongoing maintenance of the Issuer as well as the costs of this Issue.

The Notes of each Series are direct, limited recourse obligations of the Issuer alone and not of the shareholders, officers, members, directors, employees of the Issuer or any Series Party, any Noteholders or any obligor in respect of any Series Assets. Furthermore, they are not obligations of, or guaranteed in any way by, any of the other Series Parties.

The Issuer will solely issue, market and distribute the securities issued under this programme. Marketing and distribution activities will be conducted by third parties engaged by the Issuer. For this purpose the Issuer will enter into distribution agreements and placement agreements with affiliated entities of the Issuer as well as third parties.

The Issuer will also conduct distribution and marketing activities (through third parties acting on the basis of distribution and placement agreements with the Issuer) in other countries subject to the applicable local marketing and private placement regimes.

## **Directors**

The members of the Board of Directors of the Issuer (Verwaltungsrat) and their respective principal occupations are:

### **1. Gijsbert Koning**

Mr. Koning is the Head of Operations at VanEck Asset Management B.V., having its registered office at Barbara Strozilaan 310, 1083 HN, Amsterdam, Netherlands. VanEck Asset Management B.V. is a UCITS management company authorized by the Dutch regulator.

### **2. Torsten Hunke**

Mr. Hunke is Managing Directors of VanEck (Europe) GmbH and Head of Legal and Compliance for VanEck in Europe.

### **3. Alexander Baker**

Alexander Baker is trust officer at Griffin Trust AG, a Liechtenstein trust service provider.

### **4. Arno Sprenger**

Arno Sprenger is trust officer at Griffin Trust AG, a Liechtenstein trust service provide.

## **Conflicts of Interest**

The Issuer is a 100 % subsidiary of VanEck (Europe) GmbH, which at the same time serves as the Arranger & Calculation Agent and Collateral Agent in the course of this Programme.

Two of the four members of the Board of Directors of the Issuer are employees of affiliates of Van Eck Associates Corporation in Europe and might therefore be subject to conflicts of interest:

Mr. Torsten Hunke is also acting as director of the Arranger & Calculation Agent VanEck (Europe) GmbH, which serves as Collateral Agent.

Mr. Gijsbert Koning is also acting as the managing director of VanEck Asset Management B.V., a subsidiary of Van Eck Associates Corporation.

However, these members of the Board of Directors are subject to the global and local conflict of interest policies and procedures of Van Eck Associates Corporation. This includes the code of ethics and the policies on gifts and entertainment, personal trading, outside activity, AML and outsourcing.

Furthermore, proper and ethical business operations free of conflicts of interest, which could be to the disadvantage of Noteholders, are safeguarded by the Liechtenstein board member, Mr. Alexander Baker, who is independent from and does not have any interests in any of the entities of the VanEck Group (other than the Issuer).

Apart therefrom, there are currently no conflicts of interest between the members of the board of directors of the Issuer and the private interests of the directors.

### **Financial Statements**

The Issuer will publish audited financial statements on an annual basis and intends to establish and publish unaudited semi-annual financial statements. The financial year of the Issuer will end on 31 December in each year. The Issuer has not commenced operations and accordingly, no financial statements have been prepared as at the date of this Base Prospectus.

There are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects for at least the current financial year and there have been no recent significant changes in the Issuer's financial position.

### **Auditors**

The auditors of the Issuer are AAC Revision & Treuhand AG of Landstrasse 123, 9495 Triesen, Liechtenstein, who are chartered accountants qualified to practise in Liechtenstein and members of the Liechtenstein Association of Chartered Accountants.

Any future published audited financial statements prepared by the Issuer (which will, in each case, be in respect of the period ending on 31 December of the relevant year) can be obtained by Noteholders from the registered office of the Issuer and are also available for inspection at the Liechtenstein Company Register Office. Accounts will be established and audited in accordance with International Financial Reporting Standards (IFRS).

### **Capitalisation**

The following table sets out the unaudited capitalisation of the Issuer as at the date of this Base Prospectus:

**Shareholders' Funds:** USD 50,000.-

**Issued Share Capital:** USD 50,000.-

**Total Capitalisation:** USD 50,000.-

**Annual General Meeting:** The Issuer will hold at least one annual general meeting each year within 6 months from the date of closure of the business year.

## THE ARRANGER AND CALCULATION AGENT

*The information set out in this section of this Base Prospectus headed "The Arranger and Calculation Agent" has been obtained from VanEck (Europe) GmbH. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by VanEck (Europe) GmbH, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of VanEck (Europe) GmbH since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.*

### General

VanEck (Europe) GmbH was incorporated in Frankfurt am Main, Germany on 6 March 2009 as a Gesellschaft mit beschränkter Haftung (limited liability company) and is validly existing under the Local Court of Frankfurt am Main, Germany (with registered number HRB 85306). The LEI of the Arranger and Calculation Agent is 254900T3EPF7PNF9PI15.

VanEck (Europe) GmbH is a wholly owned subsidiary of Van Eck Associates Corporation.

The registered office of VanEck (Europe) GmbH is at Kreuznacher Str. 30, 60486 Frankfurt, Germany.

### Management

The Directors of VanEck (Europe) GmbH are:

Mr. Torsten Hunke, Managing Director

### Business

The principal activity of VanEck (Europe) GmbH mainly comprises in supporting VanEck's subsidiaries and in marketing and sales support of VanEck's UCITS.

The Notes are obligations of the Issuer alone and not of VanEck (Europe) GmbH.

## THE COLLATERAL AGENT

*The information set out in this section of this Base Prospectus headed "The Collateral Agent" has been obtained from VanEck (Europe) GmbH. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by VanEck (Europe) GmbH, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of VanEck (Europe) GmbH since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.*

### **General**

VanEck (Europe) GmbH was incorporated in Frankfurt am Main, Germany on 6 March 2009 as a Gesellschaft mit beschränkter *Haftung* (limited liability company) and is validly existing under the Local Court of Frankfurt am Main, Germany (with registered number HRB 85306).

VanEck (*Europe*) GmbH is a wholly owned subsidiary of Van Eck Associates Corporation.

The *registered* office of VanEck (Europe) GmbH is at Kreuznacher Str. 30, 60486 Frankfurt, Germany.

### **Management**

The *Directors* of VanEck (Europe) GmbH are:

Mr. *Torsten* Hunke, Managing Director

### **Business**

The principal activity of VanEck (Europe) GmbH mainly comprises in supporting VanEck's subsidiaries and in marketing and sales support of VanEck's UCITS.

The Notes are obligations of the Issuer alone and not of VanEck (Europe) GmbH.

## THE CUSTODIAN

*The information set out in this section of this Base Prospectus headed "The Custodian" has been obtained from Bank Frick & Co AG. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Bank Frick & Co AG, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of Bank Frick & Co AG since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.*

Bank Frick & Co AG is a Liechtenstein licensed bank which has been established in the legal form of a society limited by shares on 21.12.1998 and registered in the Liechtenstein Company Register with register number FL-0001.548.501-4. The domicile of the Custodian is at Landstrasse 14, 9496 Balzers, Principality of Liechtenstein.

Bank Frick is an enterprising bank which offers a range of services designed for financial intermediaries. The Bank has a wealth of expertise in the area of tailored fund solutions and specialises in cutting-edge blockchain banking services. With a comprehensive product palette, Bank Frick provides a broad range of services.

The Board of Directors of the banks is formed by Dr. Mario Frick, Roland Frick, Rolf Jermann, Herman Kotzé and Michael Kramer, the managing directors of Bank Frick & Co AG are Edi Wögerer, Michael Dolzer and Melanie Mündle.

Further information on the bank can be found on its website [www.bankfrick.li](http://www.bankfrick.li). Neither this website nor its contents do form part of this Prospectus.

## **AUTHORISED PARTICIPANTS**

*The information set out in this section of this Base Prospectus headed "Authorised Participants" has been obtained from the Authorised Participants mentioned below. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Authorised Participants, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Base Prospectus shall not create any implication that there has been no change in the affairs of the Authorised Participants since the date hereof, or that the information contained or referred to in this section is correct as of any time subsequent to its date.*

As per the date of this Prospectus, the Issuer has entered in to Authorised Participant Agreements with the following Authorised Participants:

Flow Traders is a leading global technology-enabled liquidity provider, specialized in Exchange Traded Products (ETPs). Flow Traders has offices and trading desks in Europe, the United States and Asia and provides liquidity across all major exchanges, globally.

## TAX CONSIDERATIONS

*The following is a general discussion of the anticipated tax treatment of payments on the Notes in Liechtenstein, Germany, the Netherlands, Italy, the United Kingdom and Switzerland. The following discussion is limited to the jurisdiction of incorporation of the Issuer and those jurisdictions in which admission to trading may be sought or offers for which a prospectus is required under the Prospectus Regulation may be made pursuant to this Base Prospectus. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes.*

***It is recommended that prospective investors consult their own professional advisers concerning the possible tax consequences of buying, holding or selling any Notes under the applicable laws of their country of citizenship, residence or domicile. Investors should be aware that the tax legislation of the investor's domicile as well as the Issuer's country of incorporation (Liechtenstein) may have an impact on the income received from the securities.***

### Liechtenstein Income Tax

#### *Liechtenstein resident individual private investors*

Payments made under the Notes qualify as tax exempt capital gains for Liechtenstein resident individual investors who hold the securities as part of their private assets, provided the Notes are subject to wealth tax. The same applies for capital gains realized upon sale or redemption of the Notes.

#### *Liechtenstein resident business investors*

Payments made under the Notes as well as capital gains realized upon sale or redemption of the Notes by Liechtenstein resident individual investors holding the Notes as part of their business assets as well as by Liechtenstein resident legal entities are part of their business profit and subject to individual income tax or corporate income tax.

### Germany

Natural persons resident in Germany must pay tax on interest income from bonds held as private assets and dividend payments from shares as income from capital assets at the time of inflow. The investment income is subject to a withholding tax and surcharges, if there is a German paying agent. If there is no German paying agent, it has to be declared in the income tax declaration.

Capital gains from the sale of bonds and shares held as private assets are also taxable.

Accrued interest paid on acquisition represents negative income from capital assets. Accrued interest received in the course of the sale are part of taxable proceeds of the sale.

If the bonds are held in custody by a German custodian bank, withholding taxes will be deducted by the German custodian bank and the investor's income tax liabilities are settled with such deduction. If so, the investor is not obliged to declare such income in the income tax return; the taxpayer may however apply for the investment income to be taxed at his or her personal tax rate, which may, depending on applicable individual tax rates, be more favourable.

Business investors domiciled in Germany must tax interest income from Notes as income.

Dividend payments from Shares are partially tax-free for business investors (with the exception of dividends from free float investments in legal entities domiciled in Germany).

Capital gain realised on the sale of a bond is also taxable. Capital gains from the sale of shares held as business assets are partially tax-exempt.

In the case of business investors, the withholding of capital gains tax by the German credit institution maintaining the custody account has no compensatory effect.

## Italy

### *Tax on income and capital gains*

Where an Italian resident is (i) an individual not engaged in an entrepreneurial activity to which the Notes are connected, (ii) a non-commercial partnership, (iii) a non-commercial private or public institution or (iv) an investor who is exempt from Italian corporate income taxation, capital gains realized on the sale or redemption of the Notes are subject to a 26 % substitute tax (*imposta sostitutiva*). Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realized in any of the four succeeding tax years. Capital gains and losses are calculated by applying the LIFO method.

Noteholders who are Italian-resident individuals may opt among three different taxation regimes: *regime della dichiarazione*, *regime del risparmio amministrato*, *regime del risparmio gestito*. Each option has a different impact on the prospective investor who should consider those options with its tax advisor. In particular, whereas in the case of the “*regime della dichiarazione*” the Noteholder is required to declare the capital gains in its annual tax return and pay the *imposta sostitutiva* on its own initiative, opting for one of the other two regimes the fulfilment and as long as certain conditions are met, the depository (authorised financial intermediary) is responsible for the *imposta sostitutiva* and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from the proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Under certain conditions, capital losses may be deducted from the above-mentioned capital gains.

Where an Italian resident Noteholder is a company or commercial entity, an Italian individual engaged in entrepreneurial activities to which the Notes are effectively connected or the Italian permanent establishment of a foreign commercial entity to which the Notes are effectively connected, capital gains arising from the Notes will not be subject to the *imposta sostitutiva* but must be included in the relevant Noteholders income tax return and are therefore subject to Italian corporate income tax (IRES, currently applicable at a rate of 24%) or to individual income tax (at the applicable progressive rate).

## United Kingdom

This is a relatively novel asset class with limited guidance available. Accordingly, the taxation is not yet completely clear in law and the following text is only a summary guide. Investors should seek tax advice particular to their individual circumstances.

For individuals who are either UK resident and trading in assets of this nature (which will depend on individual circumstances), or who are non-resident but trading in the UK through a branch or agency to which the Notes are attributable, then the position is as follows: profits from redemption or sales of Notes will be charged to Income Tax as trading profits. If an UK-resident individual is not trading in assets of this nature but simply holds the Notes as an investment, then the Notes will likely fall within the deeply discounted securities regime and profits from redemption or sales of Notes will be charged to Income Tax as savings (non-dividend) income.

For UK-resident companies, credits and debits from the Notes will likely be calculated under the loan relationships and/or derivatives code. If the company is trading in assets of this nature, then those credits and debits will be charged to Corporation Tax as trading profits. If the company is not so trading, then those credits and debits will be charged to Corporation Tax under the loan relationships code.

The Notes will be foreign-situs assets for Inheritance Tax, and accordingly will be outside the UK Inheritance Tax net for individual investors who are neither domiciled nor deemed domiciled in the UK.

On the basis that the Notes will not be registered in a register kept in the UK by or on behalf of the issuer, no Stamp Duty Reserve Tax will likely be payable by investors on the issuance or transfer of Notes.

No Stamp Duty will likely be payable on the issuance of the Notes. Stamp Duty will in principle be payable on any instrument of transfer of the Notes which is executed in the UK or which “relates to any matter or thing done or to be done” in the UK. However, in practice, Stamp Duty should generally not need to be paid on any such instrument (e.g. an agreement to transfer), provided that it is executed and retained outside of the UK.



## Switzerland

Individuals domiciled in Switzerland are subject to income tax on realized interest income from debt securities and dividend payments from shares held as private assets. However, capital gains from the sale of debt securities and shares held as private assets are generally tax-free. Pro rata accrued interest is considered part of the purchase price.

Legal entities domiciled in Switzerland are taxed on realised interest income from debt securities and dividend payments from shares as income. As a rule, capital gains from the sale of a bond or share are also taxable as income (exceptions according to canton of domicile and individual tax status are reserved).

## The Netherlands

It is emphasised that not all possible tax aspects of (investing in) the Company will be addressed. Interested parties are therefore advised to consult their tax adviser on the possible consequences of investing in the Company in their specific situation.

### *The Noteholders' tax position*

#### ***Dutch private individual Noteholders***

If the notes do not generate any box I income (income from work and home-ownership) or box II income (income from substantial interest) for private individual noteholders who are resident in the Netherlands, the notes must be reported in box III (income from saving and investing). In box III, the assets attributable to box III (assets and debts) at the beginning of the calendar year are subject to a fixed-rate tax.

In 2020, assets are divided into 3 categories for the calculation of the notional return. The tax authorities have determined a ratio for every category for saving and investing. The following average returns are used for saving and investing in 2020 over which 30% tax will have to be paid:

Category	Your (portion of the) basis for saving and investing	Percentage saving (taxed at 0.07%)	Percentage investing (taxed at 5.28%)	Percentage average return
1	Up to €72.798	67%	33%	1,789%
2	From € 72.798 to € 1.005.573	21%	79%	4,185%
3	From € 1.005.573	0%	100%	5,28%

Please refer to your tax advisor for the most recent overview and possible consequences.

#### *Dutch Noteholders liable for corporation tax*

Noteholders who are subject to the levy of corporation tax in principle owe corporation tax on price gains realised.

## SUBSCRIPTION AND SALE

Only Authorised Participants may subscribe for Notes from the Issuer, acting as principals in respect of such subscriptions.

### General

These selling restrictions may be modified by agreement between the Issuer and the Authorised Participants following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

None of the Issuer or any Authorised Participant represents that the Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Authorised Participant agrees in the relevant Authorised Participant Agreement that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Authorised Participant shall have responsibility therefor.

### United States

The Notes have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or other jurisdiction of the United States, or with any securities regulatory authority of any state or other jurisdiction of the United States and the Issuer has not and will not be registered under the Investment Company Act. Notes may not be legally or beneficially owned by any U.S. person at any time nor offered or sold within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that it has not offered or sold and will not offer and sell Notes at any time, directly or indirectly, within the United States or its possessions or for the account or benefit of (i) a "U.S. person" as defined in Regulation S under the Securities Act ("**Regulation S**"), (ii) a "U.S. person" as defined in the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations promulgated by the U.S. Commodity Futures Trading Commission (the "**CFTC**") pursuant to the United States Commodity Exchange Act of 1936, as amended, (iii) a person other than a "Non-United States person" as defined in CFTC Rule 4.7, or (iv) a "United States person" as defined in the U.S. Internal Revenue Code of 1986 and the U.S. Treasury regulations promulgated thereunder, in each case, as such definition may be amended, modified or supplemented from time to time. Each Authorised Participant has further represented and agreed that it has not offered, sold or delivered and will not offer, sell or deliver the Notes except in accordance with Rule 903 of Regulation S under the Securities Act, and that none of it, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to such Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Offering materials for the offering of the Notes have not been filed with or approved or disapproved by the United States Securities and Exchange Commission or any other state or federal regulatory authority, nor has any such regulatory authority passed upon or endorsed the merits of this offering or passed upon the accuracy or completeness of any offering materials. Any representation to the contrary is unlawful.

## European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Regulation (each, a “**Relevant Member State**”), each Authorised Participant represents and agrees in the relevant Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Regulation is applicable in that Relevant Member State (the “**Relevant implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the applicable Final Terms to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (i) if the applicable Final Terms in relation to the Notes specify that an offer of those Notes may be made by the Authorised Participant(s) other than pursuant to Article 3(2) of the Prospectus Regulation in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of the Base Prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (iii) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the Issuer for any such offer; or
- (iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Regulation,

provided that no such offer of Notes referred to in paragraphs (ii) to (iv) above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to the Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of the provision above, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State, the expression “Prospectus Regulation” means Regulation (EU) 2017/1129 (incl. delegated acts such as Commission Delegated Regulations (EU) 2019/979 and 2019/989) , and includes any relevant implementing measure in the Relevant Member State.

## United Kingdom

Each Authorised Participant represents and agrees in the Authorised Participant Agreement, and each further Authorised Participant appointed under the Programme will be required to represent and agree, that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the United Kingdom.

## GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the Board of Directors passed on 22 September 2020.
2. Save as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since its incorporation.
3. The Issuer is not nor has it been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) since its incorporation which may have, or have had in the recent past, significant effects on its financial position or profitability.
4. Notes may be accepted for clearance through any Relevant Clearing System including Euroclear and Clearstream Banking Frankfurt systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.
5. Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from the information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
6. Each Series of Notes that is to be listed and admitted to trading on a stock exchange and regulated or unregulated market within the EEA or abroad for certain Series of Notes issued on the basis of this Base Prospectus will be admitted separately as and when issued, subject only to the issue of Notes initially representing the Notes of such Series. The approval by the FMA of this Base Prospectus in respect of the Notes was granted on 28 September 2020.
7. The issue price and the amount of the relevant Notes to be issued in each Series will be determined, before filing of the relevant Final Terms of each Series, based on then prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any of the Indices or issues of Notes.
8. For so long as Notes remain outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection at the registered office of the Issuer and at the registered office of the Collateral Agent in printed form:
  - (A) the Issuer's memorandum of association & Company Register Extracts;
  - (B) the Issuer's audited balance sheets as per the end of a financial year;
  - (C) the CA Pledge Agreement relating to each Series of Notes;
  - (D) the Custody Agreement relating to each Series of Notes;
  - (E) the Final Terms in respect of each Series of Notes.

The documents (A), (B) and (E) can further be inspected and downloaded at any time at the website of the Issuer at [www.vaneck.com](http://www.vaneck.com).
9. AAC Revision & Treuhand AG audits the accounts of the Issuer. AAC Revision & Treuhand AG has no material interest in the Issuer. AAC Revision & Treuhand AG is a member of the Liechtenstein Association of Chartered Accountants.
10. The expenses relating to the establishment of this Base Prospectus and the admission to trading of each Series will be borne by VanEck (Europe) GmbH on the basis of a cost transfer agreement with the Issuer.

11. Any website mentioned in this Base Prospectus or the contents thereof does not form part of the prospectus prepared for the purpose of seeking approval by the Liechtenstein FMA.

**The Issuer**  
VanEck ETP AG  
Landstrasse 36  
9495 Triesen  
Liechtenstein

Represented by

---

Alex Baker

---

Torsten Hunke

**Supplement**

**to the**

**Base Prospectus**

**for the issue / public offer of**

**notes under the**

**VANECK VECTORS EXCHANGE TRADED NOTE PROGRAMME**

**VanEck ETP AG**

This supplement (the "**Supplement**") is a supplement pursuant to Article 23 of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and must be read in conjunction with the Prospectus dated 28.09.2020 (the "**Original Prospectus**"). The Original Prospectus and supplements to the Prospectus are to be regarded and understood as one single document (together: the "Prospectus") and this Supplement must always be read together with the Original Prospectus as supplemented.

The Original Prospectus was approved by the Liechtenstein Financial Market Authority on 28.09.2020. The definitions and abbreviations used in this Supplement have the same meaning as those used in the Original Prospectus.

The Original Prospectus and the supplements can be downloaded free of charge from the Issuer's website [www.vaneck.com](http://www.vaneck.com).

**Pursuant to Art 23 of the Prospectus Regulation, investors who have made a declaration of intent to purchase or subscribe the securities prior to publication of the supplement have the right to revoke such declaration within a period of two working days after publication of the supplement if the new circumstance or inaccuracy as defined by Art 23 para 1 of the Prospectus Regulation have emerged prior to the final closing of the public offering or prior to delivery of the securities.**

**The revocation does not have to contain a reason yet must be stated in writing to the following address:**

**VanEck ETP AG  
Landstrasse 36  
9495 Triesen  
Liechtenstein**

**Timely dispatch of the revocation is decisive for meeting the deadline.**

This Supplement has been prepared and signed by the Issuer. The Issuer is responsible for the accuracy and completeness of both the Original Prospectus (as supplemented) and this Supplement. The Issuer has diligently provided all information necessary to ensure that the information and statements contained in this Supplement are accurate and that no facts have been omitted which could alter the contents of the Original Prospectus and / or this Supplement.

This Supplement was approved by the Liechtenstein Financial Market Authority on 9 November 2020. The Original Prospectus and the Supplements have been filed with the Liechtenstein Financial Market Authority and have been published.

The Prospectus is amended and now, in the sections outlined below, reads as follows:

## DESCRIPTION OF THE PROGRAMME

[...]

### ***Form of the Notes***

The Notes will be issued in global bearer form and serially numbered or in dematerialised uncertificated registered form which shall not be exchangeable for bearer securities, in each case in the amount and currency of denomination specified in the applicable Final Terms.

[...]

### ***Redemption at maturity***

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

[...]

### ***Final Redemption Amount***

An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's pro rata share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Final Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

[...]

### ***Mandatory Redemption Amount***

An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's pro rata share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption. To the extent that the Mandatory Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

[...]

### ***Optional Redemption Amount***

An amount in the Relevant Currency per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note, less such Note's pro rata share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series



necessary to give effect to such redemption. To the extent that the Optional Redemption Amount:

- (i) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (ii) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 of the Terms and Conditions of the Notes.

[...]

## DESCRIPTION OF THE SERIES ASSETS

[...]

### Investment Approach

The Issuer will seek to invest directly (and where required during exceptional market conditions - indirectly) in a portfolio of digital assets that, as far possible and practicable will consist of the Component Digital Assets that comprise the Index. The Issuer does not intend to use an entirely "passive" or indexing investment approach but will attempt to approximate the investment performance of the Index.

Due to the practical difficulties and expense of purchasing the current components and future components in the Index, the Issuer may not purchase all of the Component Digital Assets of the Index. Instead, the Issuer may utilise a "sampling" methodology for the Series if so allowed according to the Final Terms for such Series. As such, the Issuer may purchase a subset of the Component Digital Assets in the Index and/or digital assets which have a similar risk and return profile as the Component Digital Assets in an effort to hold a portfolio of digital assets with generally the same risk and return characteristics.

If and to the extent that this is allowed according to the Final Terms, the Issuer also may, in exceptional circumstances such as the unavailability of certain digital assets due to but not limited to transaction backlogs, distributed denial of service or other cyber attacks on the blockchain, etc, invest in Other Digital Assets that it believes closely reflect the risk and return characteristics of digital assets of the Index.

The representative sampling approach which may be used by the Issuer if so allowed according to the final Terms for a Series seeks to build a representative portfolio of Series Assets that provides a return comparable to that of the Index. Consequently, the Issuer will, in respect of a Series of Notes, from time to time hold only a subset of the Component Digital Assets of the relevant Index. The digital assets held by the Issuer in respect of a Series, representing a subset of all Component Digital Assets in the Index, will generally have the characteristics of the Index and are chosen with the intention of replicating the performance of the Index with a predicted level of tracking error.

The Issuer may invest in ancillary assets which may include deposits with credit institutions and FDI for efficient portfolio management as described below.

[...]

## TERMS AND CONDITIONS OF THE NOTES

[...]

### 1. Definitions

[...]

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

"**Central Depository**" means, in relation to a Series of Notes, Clearstream Banking Frankfurt.

[...]

~~"**Common Safekeeper**" means, in relation to a Series of Notes issued in NGN or NSS form, the common safekeeper for Clearstream Banking Frankfurt appointed in respect of such Series.~~

[...]

"**Final Redemption Amount**" means an amount per Note calculated by the Calculation Agent as an amount equal to the Note Value of such Note in the Relevant Currency, less such Note's *pro rata* share of any costs and expenses incurred by or on behalf of the Issuer in any realisation of any Series Assets of the relevant Series necessary to give effect to such redemption.

[...]

"**Global Bearer Security**" means the Notes in bearer form represented by a Global Bearer Note.

~~Global Security~~ "**Global Bearer Note**" means a Global Bearer Security.

[...]

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

[...]

## **2. Form and Title**

The Notes will be issued in bearer form in a global note ("**Global Bearer Note**" or in the form of dematerialised uncertificated registered notes which shall not be exchangeable for bearer securities ("**Uncertificated Registered Securities**"), in each case in the Denomination(s) and Relevant Currency specified in the Final Terms. If it is stated in the Final Terms that the form of some or all of the Notes is "Bearer", such Notes are issued in the form of one Global Bearer Note. If it is so stated that the form of some or all of the Notes is "Uncertificated Registered", such Notes are Uncertificated Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the Notes of a particular Series on issue will be the same.

In respect of bearer notes relating to a Series, a Global Bearer Note will be delivered on or prior to the original issue date to Clearstream Banking Frankfurt.

## **7. Redemption**

### **7.1 Final redemption**

Unless previously redeemed in whole as provided below, each Note shall become due and payable on its Final Redemption Settlement Date at its Final Redemption Amount in the Relevant Currency. To the extent that the Final Redemption Amount:

- (A) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (B) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5.

### **7.3 Optional Redemption**

- (A) A Noteholder which is also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or part of its holding of Notes at the Optional Redemption Amount in the Relevant Currency by submitting to the Issuer a valid Redemption Order in accordance with the relevant Authorised Participant Agreement and the Operating Procedures Agreement.

- (B) A Noteholder which is not also an Authorised Participant may (subject as provided herein) on any Valuation Date require the Issuer to redeem all or any part of its holding of such Notes at the Optional Redemption Amount in the Relevant Currency by submitting to the Issuer a valid Redemption Order only if the Issuer has notified the Noteholders in accordance with Condition 16 in respect of any Valuation Date that redemption requests from Noteholders which are not Authorised Participants will be permitted and no later notice to the contrary has yet been delivered. Any such announcement may be general or subject to conditions, and any such Redemption Order which is not in accordance with any such conditions shall not be valid.
- (C) Any Note that is subject to Optional Redemption in accordance with this Condition 7.3 as a result of the delivery of a Redemption Order, shall become due and payable in the Relevant Currency on the relevant Optional Redemption Settlement Date at its Optional Redemption Amount. To the extent that the Optional Redemption Amount:
  - (1) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
  - (2) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5.

## **7.9 Mandatory Redemption Amount**

If any of the Mandatory Redemption Events listed in Condition 7.8 occurs, each Note shall become due and payable in the Relevant Currency on the related Mandatory Redemption Settlement Date at its Mandatory Redemption Amount. To the extent that the Mandatory Redemption Amount:

- (C) exceeds the Principal Amount any such excess shall constitute interest in respect of such Note; and
- (D) is less than the Principal Amount, the deficit shall be extinguished in accordance with Condition 5.5 .

The Issuer shall give notice to the Noteholders of the Mandatory Redemption Date and the Mandatory Redemption Settlement Date of the Notes as soon as reasonably practicable in accordance with Condition 16.

## **9. Payments, calculations, Agents and records**

### **9.2 Payments**

- (A) For as long as the Notes are represented by a Global Bearer Note deposited with a central depository on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments in respect of the Notes will be discharged by payment to, or to the order of, the holder of the Global Bearer Note, subject to and in accordance with the terms of such Global Bearer Note. Each of the persons shown in the records of the Relevant Clearing System as owning Notes represented by such Global Bearer Note must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to or to the order of the holder of the Global Bearer Note. Payments made to any person shown in the records of the Relevant Clearing System as owning any Note represented by the Global Bearer Note shall be subject to and made in accordance with the rules of the Relevant Clearing System.
- (B) Notwithstanding the foregoing, for so long as the Notes are represented by a Global Bearer Note, if any amount payable in respect of such Notes is payable in U.S. dollars, such U.S. dollar payments shall be made at the specified office of a Paying Agent in the U.S. if:

- (1) the Issuer has appointed Paying Agents with specified offices outside the U.S. with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the U.S. of the full amount due in respect of the Notes in the manner provided above when due;
- (2) payment of the full amount due at all such specified offices outside the U.S. is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of the amount due in U.S. dollars; and
- (3) such payment is then permitted under U.S. law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

## 9.9 Records

For so long as the Notes are represented by a Global Bearer Note, the records of the Relevant Clearing Systems (which expression in this Condition 9.9 means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Notes) shall be conclusive evidence of the number of the Notes represented by the Global Bearer Note and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of Notes represented by the Global Bearer Note at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

## ~~9.10 — Negotiability of Global Bearer Security~~

~~If the Notes are Bearer Securities represented by a Global Bearer Security, the Global Bearer Security is a bearer document and negotiable and accordingly:~~

- ~~(A) — is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;~~
- ~~(B) — the holder of the Global Bearer Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable upon redemption or otherwise payable in respect of the Global Bearer Security and the Issuer waives as against such holder and any previous holder of the Global Bearer Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Bearer Security; and~~
- ~~(C) — payment upon due presentation of the Global Bearer Security will operate as a good discharge against such holder and all previous holders of the Global Bearer Security.~~

## 16. Notices

16.1 All notices to holders of Notes shall be valid if:

- (A) they are:
  - (1) published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; and/or
  - (2) published on the Issuer's Website [www.vaneck.com](http://www.vaneck.com);

- (B) for so long as the Notes are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; and
- (C) for so long as the Notes are in global form, notices required to be given in respect of the Notes represented by a Global Bearer Note are given by their being delivered (so long as the Global Bearer Note is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Bearer Note, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the Notes on the Clearing System Business Day immediately following the day on which the notice was given to the Relevant Clearing System.

**18. Governing law and jurisdiction**

**18.1 Governing law**

The Base Prospectus, the CA Pledge Agreement and the Notes (including any Global Bearer Note), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with German law.

## FORM OF FINAL TERMS

[...]

### PART A – CONTRACTUAL TERMS

Terms used herein shall have the meanings given to them in the terms and conditions set forth in the Base Prospectus dated 28 September 2020 [and the supplement(s) to it dated [ ]] (the "**Base Prospectus**") *The particulars in relation to this issue of Notes are as follows:*

1. Series of Notes to which these Final Terms apply: [ ]
2. Number of Notes to which these Final Terms apply: [ ]
3. Issue Date: [ ]
4. Series Issue Date: [ ]
5. Issue Price: [ ] per Note
6. Principal Amount: Up to [...] ([ ] per Note)
7. Relevant Currency: [...]
8. Final Redemption Date: [●] 2068
9. Redemption Amount: Note Value less *pro rata* costs in Relevant Currency
10. Denomination: [Principal Amount]
11. Index [ ]
12. Index Administrator [...]
13. Series Assets / Sampling [...]
14. Interest [...]
15. Form of Notes: [Global Bearer Note]
  
16. Price Information [...]

The Issuer accepts the responsibility for the information contained in these Final Terms.

[ ] has been extracted from [ ].

The Issuer confirms that any additional information provided by [...] has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.

### PART B – OTHER INFORMATION

17. **Listing and admission to trading:** [Application will be made to Deutsche Börse Xetra [...] and / or any other regulated or unregulated market the Issuer considers suitable for the Notes to which these Final Terms apply to be admitted to trading.]

18. **Notification** The FMA has provided the competent authorities of the [and [names of other competent authorities of host member states of the EEA]] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation.

19. **Interests of natural and legal persons involved in the issue**

Various subsidiary companies of Van Eck Associates Corporation do participate in the offer of the Notes or are subsequently involved in functions relating to the Notes (e.g. the Arranger and Calculation Agent).

Four of the directors of the Issuer are employees of affiliates of Van Eck Associates Corporation in Europe and might therefore be subject to conflicts of interest. However, the directors are subject to the global and local conflict of interest policies and procedures of Van Eck Associates Corporation.

Furthermore, there are currently no conflicts of interest between the members of the board of directors of the Issuer and the private interests of the directors.

20. Names and addresses of additional [...] Paying Agent(s) (if any):

21. **Distribution**

Non-exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Authorised Participants specified in Paragraph 8 of Part B below other than pursuant to Article 1(4) of the Prospectus Regulation in [specify relevant Member State(s) – which must be jurisdictions where the Prospectus and any supplements have been passported] ("**Non-exempt Offer Jurisdictions**") during the period from [specify date] until [specify date or a formula such as "the Issue Date" or "the date which falls [ ] Business Days thereafter"] ("**Offer Period**"). See further Paragraph 8 of Part B below.]

Additional Selling Restrictions: [Not Applicable]

22. **Information about the past and the further performance of the Index and its volatility**

Information about the past and further performance of the Index and its volatility can be obtained from: [Include name of the Index and details of where information about the past and future performance of the Index and its volatility can be obtained.]

23. **Operational Information**

ISIN Code: [ ]

Common Code: [ ]

Names and addresses of additional Paying Agent(s) (if any): [ ]

24. **Terms and Conditions of the Offer**

Offer Price: [Issue Price][specify]

Conditions to which the offer is subject: *[insert any applicable additional conditions to offer]*

Offers of the Notes are conditional upon their issue and, as between the Authorised Participant(s) and their customers, any further conditions as may be agreed between them.

Description of the application process: *[Not Applicable/give details]*

Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: *[Not Applicable/give details]*

Details of the minimum and/or maximum amount of application: *[Not Applicable/give details]*

Details of the method and time limited for paying up and delivering the Notes: *[Not Applicable/The Notes will be issued on the Issue Date against payment to the Issuer of the net subscription moneys]*

Manner in and date on which results of the offer are to be made public: *[Not Applicable/give details]*

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: *[Not Applicable/give details]*

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: *[Not Applicable/give details]*

Amount of any expenses and taxes specifically charged to the subscriber or purchaser: *[Not Applicable/give details]*

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place: *[None/give details]*

Name and address of financial intermediary/ies authorised to use the Base Prospectus, as completed by these Final Terms (the "**Authorised Participants**"): Flow Traders B.V. [and] [each Authorised Participant expressly named as an Authorised Participant on the Issuer's website ([www.vaneck.com](http://www.vaneck.com))]

25 Parties to the Series

[...]

[...]

26. **Governing Law** German



## SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

A Series of Notes may, subject to all applicable legal and regulatory requirements, be issued in Series comprising bearer securities or in dematerialised uncertificated registered form which shall not be exchangeable for bearer securities as specified in the applicable Final Terms. The summary that follows is only in relation to bearer securities.

Bearer securities will be issued in global note form ("**Global Bearer Note**").

### **Initial Issue of Notes**

The Global Bearer Note will be delivered on or prior to the original issue date of the Series to a Central Depository. Depositing the Global Bearer Note with the Central Depository does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

With regard to the Global Bearer Note held by Clearstream Banking Frankfurt (the "**Central Depository**"), Clearstream Banking Frankfurt will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Bearer Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Notes that are initially deposited with the Central Depository may also be credited to the accounts of subscribers with other clearing systems through direct or indirect accounts with Euroclear and Clearstream Banking Frankfurt held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream Banking Frankfurt or other clearing systems.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Clearstream Banking Frankfurt or any other clearing system ("**Alternative Clearing System**") as the holder of a Note represented by a Bearer Security must look solely to Clearstream Banking Frankfurt or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Bearer Note and in relation to all other rights arising under the Notes, subject to and in accordance with the respective rules and procedures of Clearstream Banking Frankfurt or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Bearer Note and such obligations of the Issuer will be discharged by payment to the bearer of such Global Bearer Note in respect of each amount so paid.

### **Amendments to Conditions while Notes in global form**

The Global Bearer Notes contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions set out in this Base Prospectus. The following is a summary of those provisions:

#### ***Meetings***

For the purposes of any meeting of Noteholders, the holder of the Notes represented by a Global Bearer Note shall be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Global Bearer Note shall be treated as having one vote in respect of each Note represented by such Global Bearer Note.

#### ***Cancellation***

Cancellation of any Note represented by a Global Bearer Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the number of Notes represented by the relevant Global Bearer Note which shall always represent the aggregate number of Notes outstanding from time to time.

***Issuer's call option***

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a Global Bearer Note shall be exercised by the Issuer giving notice to the Noteholders and containing the information required by the Conditions.

***Nominal amount***

The Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Bearer Note shall be adjusted accordingly.

***Collateral Agent's Powers***

In considering the interests of Noteholders while any Global Bearer Note is held on behalf of a clearing system, the Collateral Agent may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Global Bearer Note and may consider such interests as if such accountholders were the holders of the Notes represented by such Global Bearer Note.

ETP AG with its registered office in Triesen, Liechtenstein is solely responsible for the information given in this Supplement. The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omissions likely to affect its import.

**VANECK ETP AG** (as the Issuer)

Triesen, 9.11.2020

---

Represented by:

---

Represented by: