IMPORTANT INFORMATION

THE DIGITAL BONDS OFFERED UNDER THIS OFFERING MEMORANDUM ARE NOT FOR DISTRIBUTION TO ANY U.S. PERSON OR TO ANY PERSON OR ADDRESS IN THE U.S. OR IN ANY OTHER JURISDICTION OR TO ANY OTHER PERSON TO WHICH A DISTRIBUTION WOULD BE UNLAWFUL.

THE DIGITAL BONDS DESCRIBED IN THIS OFFERING MEMORANDUM HAVE NOT BEEN AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THE SECURITIES LAWS OF ANY STATE WITHIN THE UNITED STATES, OR THE SECURITIES LAWS OF ANY JURISDICTION OUTSIDE OF THE UNITED STATES.

ANY OFFER, SALE, RESALE, PLEDGE, HYPOTHECATION OR OTHER TRANSFER OF THE DIGITAL BONDS OR THE DIGITAL BOND TOKENS IS PROHIBITED, EXCEPT WHEN MADE: (I) IN ACCORDANCE WITH THE PROVISIONS OF REGULATION S PROMULGATED UNDER THE SECURITIES ACT ("REGULATION S"), PURSUANT TO A REGISTRATION STATEMENT UNDER THE SECURITIES ACT, OR PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION; (II) IN ACCORDANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS; AND (III) IN ACCORDANCE WITH THE SELLING RESTRICTIONS SET FORTH HEREIN.

WITHOUT LIMITING THE FOREGOING, THE DIGITAL BONDS MAY NOT OFFERED OR SOLD (I) IN OR TO THE UNITED STATES OR TO "U.S. PERSONS" WITHIN THE MEANING OF RULE 902 OF REGULATION S OR (II) TO ANY NEW YORK RESIDENT (WITHIN THE MEANING OF SECTION 200.2(H) OF THE NEW YORK CODES, RULES AND REGULATIONS).

IN PARTICULAR, THE DIGITAL BONDS WILL ONLY BE OFFERED AND SOLD BY THE ISSUER TO PERSONS THAT ARE OUTSIDE OF THE UNITED STATES AND ARE NOT "U.S. PERSONS" WITHIN THE MEANING OF RULE 902 OF REGULATION S.

THE ISSUER IS NOT REGISTERED AS AN INVESTMENT COMPANY UNDER THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"). CONSEQUENTLY, HOLDERS WILL NOT BE AFFORDED THE PROTECTIONS OF THE INVESTMENT COMPANY ACT.

ANY UNITED STATES PERSON WHO HOLDS ANY DIGITAL BOND (AS REPRESENTED BY A DIGITAL BOND TOKEN) WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

HOLDERS WILL BEAR THE FINANCIAL RISKS OF INVESTING IN THE DIGITAL BONDS. IN MAKING ANY INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE DIGITAL BONDS, INCLUDING THE MERITS AND RISKS INVOLVED. THE DIGITAL BONDS HAVE NOT BEEN RECOMMENDED BY ANY REGULATORY AUTHORITY IN ANY JURISDICTION. FURTHERMORE, NO REGULATORY AUTHORITY HAS CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

This Offering Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

The offering or sale of the Digital Bonds in certain jurisdictions may be restricted by law. For a description of certain restrictions on offers and sales of the Digital Bonds and on the distribution of this Offering Memorandum, see Paragraph 3 "*Selling Restrictions*" of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Terms and Conditions of the Digital Bonds.

No action has been or will be taken by the Issuer that would permit a public offering of the Digital Bonds or possession or distribution of any offering material in relation to the Digital Bonds in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of the Digital Bonds or distribution of any offering material relating to the Digital Bonds may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

Persons who obtain possession of the Offering Memorandum are required to inform themselves about and to adhere to any such restrictions. This Offering Memorandum does not constitute nor may it be used for the purposes of, an offer or solicitation to subscribe for or to purchase any securities in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Offering Memorandum should not be used by anyone for this purpose.

You are obliged to read the following before continuing. This applies especially to this Offering Memorandum following this notice, and you are therefore advised to read this carefully before reading, accessing, or making any other use of the Offering Memorandum. In accessing the Offering Memorandum, you agree to be bound by the following terms and conditions including any modifications to them any time you receive any information from the Issuer or the other involved parties (as mentioned in the Offering Memorandum) as a result of such access.

THE DIGITAL BONDS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE U.S. AND (I) MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. TO, OR FOR THE ACCOUNT OR BENEFIT OF U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT), AND (II) MAY BE OFFERED, SOLD OR OTHERWISE DELIVERED AT ANY TIME ONLY TO TRANSFEREES THAT ARE NON-U.S. PERSONS (AS DEFINED BY THE U.S. COMMODITIES FUTURES TRADING COMMISSION).

THE OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. IN PARTICULAR, IT MAY NOT BE FORWARDED TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION, OR REPRODUCTION OF THIS TRANSMISSION IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

CONFIRMATION OF YOUR WARRANTIES

In order to be eligible to view the Offering Memorandum or make an investment decision with respect to the securities being offered, prospective investors must be permitted under applicable law and regulation to receive the Offering Memorandum. This Offering Memorandum is being sent to you at your request and by accepting the email and accessing the Offering Memorandum, you shall be deemed to have warranted to the Issuer, the Arranger and the other involved parties that (i) you and any customers you represent are outside the U.S. and any jurisdiction in which receiving or accessing the Offering Memorandum cannot lawfully be made without compliance with registration or other legal requirement, (ii) the electronic or physical mail address that you gave the sender of this transmission and to which this transmission has been delivered is not located in the U.S. or any jurisdiction in which receiving or accessing the Offering Memorandum cannot lawfully be made without compliance with registration or other legal requirements, (iii) you are a person who is permitted under applicable law and regulation to receive the Offering Memorandum, (iv) you consent to delivery of the Offering Memorandum and any amendments or supplements thereto by electronic transmission, (v) you will use this Offering Memorandum for the sole purpose of evaluating a possible investment in the Digital Bonds, and (vi) you acknowledge that no person is authorized to give any information or make any representation in connection with the Digital Bonds that is not contained in this Offering Memorandum.

You are reminded that the Offering Memorandum has been delivered to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

This Offering Memorandum does not constitute an offer to sell securities or a solicitation to buy securities in any jurisdiction where such offer or sale is not permitted. This Offering Memorandum may not be distributed in the United States or to U.S. Persons (as defined in Regulation S under the United States Securities Act, 1933 (as amended)

Offering Memorandum

for the issuance of up to

USDC 25,000,000 Zero Coupon Secured Limited Recourse Rollable Digital Bonds due

4 February 2025

(the "**Digital Bonds**")

of

Digital Bonds Ltd

an exempted company incorporated in Bermuda with registration number 202302760 and registered as a segregated accounts company under the Bermuda Segregated Accounts Companies Act 2000, as amended (the "**SAC Act**")
with its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda
acting in respect of its segregated account designated as **"DB Series-11"**
(the "**Issuer**")
Legal Entity Identifier: 9845001ACD9A9DCCF060

(the "**Offering Memorandum**")

The issue price of the Digital Bonds is 99.68647 per cent. of their principal amount (the "**Issue Price**").

References to the "**Conditions**" in this Offering Memorandum are references to the terms and conditions of the Digital Bonds set out in "*Terms and Conditions of the Digital Bonds*" below.

The Digital Bonds will be constituted by an electronic deed poll to be executed by the Issuer on 7 January 2025 (as amended, restated and/or supplemented from time to time, the "**Deed Poll**"), providing, *inter alia*, for the Issuer's obligations under the Digital Bonds and incorporating the Conditions. The aggregate principal amount of the Digital Bonds issued by the Issuer will not exceed USDC 25,000,000 (the "**Maximum Issue Amount**").

The Digital Bonds will be issued solely on the Ethereum Mainnet, the primary public, Ethereum blockchain network (the "**distributed ledger technology**" or the "**DLT**") in bearer dematerialized form in the aggregate principal amount of up to USDC 25,000,000, with a notional value of USDC 1.00 per Digital Bond and represented by Ethereum Request for Comments #20 ("**ERC-20**") fungible digital tokens (the "**Digital Bond Tokens**").

An ERC-20 smart contract created by PV01 Capital Markets Ltd. (the "**Arranger**" and the "**Tokenizer**") and deployed at the following DLT address:

https://etherscan.io/address/0x1A4cFD8fc52FF3F4e66B18f4d355ad6a5111f2e6

(the "**Bond Smart Contract**").

will implement the provisions of the Deed Poll, including the issuance and transfer of the Digital Bond Tokens on the DLT and the automated payment and redemption mechanisms of the Digital Bonds.

The Digital Bonds will be available for issuance on the DLT via the Pivio Platform at www.pv0.one or directly via the Bond Smart Contract during the period commencing at approximately 13:30 UTC on 7 January 2025 and ending at approximately 16:30 UTC (the "**Issuance Settlement Cut-Off Time**") on 7 January 2025 (the "**Issue Date**") (such period, the "**Issuance Settlement Window**"). Digital Bonds shall also be available for issuance during any Additional Issuance Settlement Window as determined by the Issuer, subject to and in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*). References to the Digital Bonds throughout this Offering Memorandum shall be deemed to include (unless the context otherwise requires) the Digital Bonds issued on the Issue Date and any Digital Bonds issued during an Additional Issuance Settlement Window.

The Digital Bonds will not bear interest. Unless previously redeemed or cancelled, the Digital Bonds will be redeemed in full at their Final Payout Amount (as defined in Condition 16)b) (*Pre-enforcement Priorities of Payments*) during the period commencing upon the issuance by the Issuer of a notice to the Holders on 4 February 2025 (the "**Maturity Date**") and ending at 24:00 UTC on 4 March 2025 (such period, the "**Scheduled Redemption Payment Window**").

The Digital Bond Tokens shall also have a notional value of 1.00 USDC per token and (subject to applicable transfer and selling restrictions) shall be fully negotiable and freely transferable on the DLT in any USDC amount (up to 6 decimal places). The Digital Bonds will not be exchangeable in any circumstances in whole or in part, for bonds in definitive form, whether bearer, registered (certificated or uncertificated), paper or electronic. None of the Issuer, the Tokenizer, the Security Agent or any other party will be required at any time to maintain a register of the Holders of the Digital Bonds, title to which will be determined by possession of the Digital Bond Tokens in accordance with the Conditions.

The Digital Bonds will constitute direct, secured, limited recourse debt obligations of the Issuer, collateralized (on a 1 to 1 basis) by U.S. government-issued treasury bills having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Digital Bonds and maturing on the Maturity Date of the Digital Bonds under the ISIN US912797NF01 / CUSIP 912797NF0 (the "**Underlying T-bills**"). The Underlying T-bills will be registered in the name of Digital Bonds Ltd and held in safe custody for the Issuer in a segregated account with a licensed custodian (including any sub-custodian thereof). Pursuant to the Security Deed, the Issuer will grant security over the Collateral (as defined in Condition 9) (*Custody and Collateral*) to the Security Agent for itself and as agent for the Holders, in respect of, *inter alia*, the Issuer's obligations under the Digital Bonds.

The liability of the Issuer in respect of the Digital Bonds from time to time and at any time shall be limited to the amounts received by the Issuer in respect of the Collateral at such time. In the event such amounts received by the Issuer are insufficient to satisfy all claims of the Holders in respect of the Digital Bonds, the obligations of the Issuer under the Digital Bonds shall be reduced accordingly, and any remaining claims of the Holders against the Issuer in respect of the Digital Bonds shall be extinguished and shall not thereafter revive. The Digital Bonds are the sole obligations of the Issuer and will not be guaranteed by any other party. The Digital Bonds are not deposit liabilities of the Issuer and are not covered by any government deposit protection or compensation scheme in the United Kingdom, Bermuda or any other jurisdiction.

Subject to certain conditions, the Digital Bonds may be terminated and redeemed at the option of the Issuer, in whole but not in part, at any time after the Issue Date in the circumstances and at the relevant redemption amount described under Condition 12)b) (*Redemption – Early Termination – Issuer Call*). Subject to certain conditions set out in Condition 12)c) (*Redemption – Early Redemption – Tax Event*), the Digital Bonds may also be terminated and redeemed by the Issuer, in whole but not in part, at any time upon the occurrence of certain changes affecting taxes. The Issuer may also, upon the request of a Holder of the Digital Bonds, redeem the Digital Bonds held by such Holder at their Partial Early Redemption Amount (as defined in Condition 12)d) (*Redemption - Partial Early Redemption*)), on a date as agreed between the Issuer and such Holder (a "**Partial Early Redemption**"), subject to and in accordance with Condition 12)d) (*Redemption - Partial Early Redemption*).

Rollover Option: Holders of Digital Bonds shall have the option to instruct the automatic exchange of the Digital Bond Tokens representing such Digital Bonds for digital bond tokens representing digital bonds of a new Series on the Maturity Date through the exercise of the Automatic Rollover Subscription Option in accordance with Condition 13) (*Automatic Rollover Subscription Option*). The Automatic Rollover Subscription Option is executed via an ERC 4626-compliant share vault (the "**Bond Token Vault**") which operates in accordance with an ERC-4626 smart contract deployed at the following DLT address:

https://etherscan.io/token/0x526Be1c610616be0e8e69893fC6766FddfBaDA61

(the "**Bond Token Vault Smart Contract**").

The Bond Token Vault operates at any time in respect of a single designated Series of digital bonds (the "**Vault Series**"), accepting deposits of Digital Bond Tokens and minting and delivering Bond Token Receipts (as defined in Condition 13)c) (*Automatic Rollover Subscription Option – Bond Token Receipts*)) in exchange. Each Bond Token Receipt evidences the Receiptholder's entitlement to a number or "Share" of the Digital Bond Tokens in the Bond Token Vault at any time (and ownership of the number of Digital Bonds represented thereby) and can be exchanged by the Receiptholder for such number of digital bond tokens at any time up to the Rollover Cut-Off Time (as defined in

Condition 13) (*Automatic Rollover Subscription Option*)) by making a Bond Token Withdrawal in accordance with Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*). The Bond Token Receipts can be transferred (subject to the same transfer and selling restrictions as are applicable to the Digital Bonds) on the DLT in any amount (up to 6 decimal places).

Payments on the Digital Bonds will be made to the digital wallet address of each Holder to which Digital Bond Tokens are credited in accordance with Condition 17) (*Settlement*) in USDC (subject to certain exceptions as described herein) and without deduction or withholding for or on account of any taxes, duties, assessments or governmental charges of any kind imposed or levied by any tax authority in Bermuda, the United Kingdom or any other relevant jurisdiction as described under Condition 27) (*Taxation*), unless required by law. In the event the Issuer determines that it is required by law to withhold or deduct any amount from payments due to any Holder(s) under the Digital Bonds on account of Tax, no additional amount will be paid by the Issuer and the relevant Holder(s) will have no claim against the Issuer in respect of any shortfall.

This Offering Memorandum has been prepared for the purpose of providing disclosure information regarding the Digital Bonds and the Issuer. This Offering Memorandum does not constitute a prospectus for the purposes of (i) Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") or (ii) the Prospectus Regulation as it forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**") (the "**UK Prospectus Regulation**").

This Offering Memorandum has been prepared solely with regard to the Digital Bonds which are (i) not to be admitted to listing or trading on any regulated market for the purposes of Directive 2014/65/EU ("**MiFID II**") and (ii) not to be offered to the public in a Member State (other than pursuant to one or more of the exemptions set out in Article 3(2) of the Prospectus Regulation). This Offering Memorandum has not been approved or reviewed by any regulator which is a competent authority in the European Union (EU) under the Prospectus Regulation, by the Financial Conduct Authority in the United Kingdom under the UK Prospectus Regulation or by any regulator in any other jurisdiction.

The Digital Bonds have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and the Digital Bonds are subject to United States tax law requirements under the U.S. Tax Equity and Fiscal Responsibility Act of 1982. The Digital Bonds are being offered outside the United States in accordance with Regulation S under the Securities Act ("**Regulation S**") and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. Persons (as defined in Regulation S). See "*Selling Restrictions*" below.

Payments in respect of the Digital Bonds (in respect of principal or any other amounts upon redemption, early termination or otherwise) cannot be claimed without the Holder first successfully completing Investor Screening (in accordance with Condition 5) (*Investor Screening*)), including, without limitation, all applicable identification, "know-your-client", anti-money laundering, anti-terrorist financing and sanctions checks, certification and/or verification of non-U.S. beneficial ownership and confirmation of the accredited/professional (or equivalent) investor status of the Holder in accordance with the laws of such Holder's home jurisdiction. Only the digital wallet addresses of potential investors and Holders having successfully completed Investor Screening will be added to a Digital Wallet Whitelist maintained by the Tokenizer.

Investors should note that Digital Bonds will, because of their nature, normally be bought and traded by a limited number of investors who are particularly knowledgeable in investment matters and crypto markets. As a result, the Digital Bonds may not be liquid.

An investment in the Digital Bonds involves risk. Prospective investors in the Digital Bonds are recommended to carefully read this Offering Memorandum in its entirety, including the section entitled "*Risk Factors*". Investors should reach their own investment decision about the Digital Bonds only after consultation with their own financial, legal and tax advisers about the risks associated with an investment in the Digital Bonds and the suitability of investing in the Digital Bonds in light of the nature and terms of the Digital Bonds and such investor's particular circumstances.

The Digital Bonds are not listed or admitted to trading on any regulated or unregulated exchange, multilateral trading facility or other trading venue in any jurisdiction, nor are they admitted to listing or trading on any crypto exchange, market or trading platform. No investor should purchase Digital Bonds unless such investor understands and is able to bear the risk that the Digital Bonds may not be readily saleable, that the value of the Digital Bonds will fluctuate over

time, and that such fluctuations may be significant and could result in significant losses to such investor. This is particularly the case for investors whose circumstances may not permit them to hold the Digital Bonds until maturity.

Neither the Issuer nor the Digital Bonds are (or expected to be) rated by any credit rating agency.

PV01 CAPITAL MARKETS LTD.
(incorporated and regulated in Bermuda)
Arranger and Tokenizer

The date of this Offering Memorandum is 7 January 2025.

TABLE OF CONTENTS

TABLE OF CONTENTS 7
IMPORTANT NOTICES 9
Summary 16
Risk Factors 30
Risks relating to the Issuer 30
Risks relating to Third Parties 37
Risks relating to the Market 40
Risks relating to Tokenized Securities / Distributed Ledger Technology 43
Risks relating to the Digital Bonds 51
Risks relating to Taxes 56
Risks relating to the Collateral and the Security 59
Risks relating to the Offer 67
Legal and Regulatory Risks 68
Transaction Structure Diagram 76
Transaction Parties and Transaction Documents 77
Description of the Digital Bonds 102
Description of the Blockchain Technology, the Bond Smart Contract and the Bond Token Vault Smart Contract 106
Investor Screening and Whitelisting 115
Terms and Conditions of the Offer 118
Issuance and Redemption 130
Sanctions, Transfer Restrictions and Eligibility Criteria 154
Interests of Natural and Legal Persons involved in the Issue/Offer 158
Reasons for the Offer and Use of Proceeds 160
Terms and Conditions of the Digital Bonds 161
Schedule 1 254
Transaction Documents 254
Schedule 2 255
Sanctions, Transfer Restrictions and Eligibility Criteria 255
Schedule 3 274

Holder Representations 274
Schedule 4 282
Privacy Notice 282
Description of the Issuer 283
Description of the Arranger and Tokenizer 289
Representations and Acknowledgements by Holders 291
Holder Instructions to the Security Agent 299
Taxation 302
Selling Restrictions 303
General Information 319

IMPORTANT NOTICES

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THE OFFERING MEMORANDUM (THE "DIGITAL BONDS") HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE DIGITAL BONDS MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES.

THE FOLLOWING OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES OR TO ANY U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE SEC) NOR ANY OTHER APPLICABLE STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE DIGITAL BONDS OR PASSED UPON THE ACCURACY OF THE OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

The Issuer, the Arranger, the Tokenizer and the Security Agent do not represent that this Offering Memorandum may be lawfully distributed, or that the Digital Bonds may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Arranger, the Tokenizer or the Security Agent which is intended to permit a public offering of the Digital Bonds or possession or distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, the Digital Bonds may not be offered, sold, resold or delivered, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer. Holders are required to inform themselves about and to comply with such laws and regulations.

This Offering Memorandum has been prepared on the basis that any offer of Digital Bonds must be made pursuant to an exemption under the Prospectus Regulation and the UK Prospectus Regulation from the requirement to publish a prospectus for offers of Digital Bonds. Accordingly, any person making or intending to make an offer of Digital Bonds may only do so in circumstances in which no obligation arises for the Issuer or the Arranger to publish a prospectus or a supplement to a prospectus pursuant to the Prospectus Regulation or the UK Prospectus Regulation, in each case, in relation to such offer. Neither the Issuer nor the Arranger has authorised, nor do they authorise, the making of any offer of Digital Bonds in circumstances in which an obligation arises for the Issuer or the Arranger to publish or supplement a prospectus for such offer.

Confirmation of your representation: To be eligible to view the Offering Memorandum or make an investment decision with respect to the Digital Bonds, prospective investors must be permitted under applicable law and regulation to receive the Offering Memorandum.

By accessing the Offering Memorandum, you shall be deemed to have represented to the Issuer, the Tokenizer and the Arranger that (i) you and any customers you represent are not located in the United States; and (ii) you consent to delivery of the Offering Memorandum by electronic transmission.

This Offering is being sent to you at your request and by accessing the Offering Memorandum, you shall be deemed to have warranted to the Issuer, the Arranger and the Tokenizer that:

(i) you and any customers you represent are outside the U.S. and any jurisdiction in which receiving or accessing the Offering Memorandum cannot lawfully be made without compliance with registration or other legal requirements;

(ii) the electronic or physical mail address that you provided to the Tokenizer or any other sender of this transmission and to which this transmission has been delivered is not located in the U.S. or any jurisdiction in which receiving or accessing the Offering Memorandum cannot lawfully be made without compliance with registration or other legal requirements;

(iii) you are a person who is permitted under applicable law and regulation to receive the Offering Memorandum;

(iv) you consent to delivery of the Offering Memorandum and any amendments or supplements thereto by electronic transmission;

(v) you will use this Offering Memorandum for the sole purpose of evaluating a possible investment in the Digital Bonds; and

(vi) you acknowledge that no person is authorized to give any information or make any representation in connection with the Digital Bonds that is not contained in this Offering Memorandum.

You are reminded that access to the Offering Memorandum has been made available to you on the basis that you are a person into whose possession the Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offering Memorandum to any other person.

The distribution of this Offering Memorandum and the offering or sale of the Digital Bonds in certain jurisdictions may be restricted by law. Persons who obtain possession of this Offering Memorandum are required to inform themselves about and to adhere to any such restrictions.

This Offering Memorandum does not constitute nor may it be used for the purposes of, an offer or solicitation to subscribe for or to purchase any Digital Bonds in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Offering Memorandum should not be used by anyone for this purpose.

The Offering Memorandum does not constitute a prospectus for the purposes of the Prospectus Regulation, and no such prospectus is required to be (or will be) prepared. The Offering Memorandum has not been prepared in the context of (i) a public offering or an admission of the Digital Bonds to trading on a regulated market in the European Economic Area (the "**EEA**") within the meaning of the Prospectus Regulation or (ii) a public offering in the UK or an admission of the Digital Bonds to trading on a UK regulated market (as defined in the UK Prospectus Regulation). Therefore, no application has been, nor will be, made for approval of the Offering Memorandum in preliminary or final form by any competent authority in the EEA pursuant to the Prospectus Regulation or in the UK pursuant to the UK Prospectus Regulation.

The Digital Bonds will not be admitted to the operations of a central securities depository and will not be traded on any trading venue in any jurisdiction (which, for the avoidance of doubt, means the Digital Bonds will not be traded on any trading venue for the purposes of Directive (EU) 2014/65/EU, as amended, and Regulation (EU) 600/2014, as amended).

Recipients of the Offering Memorandum who intend to subscribe for or purchase the Digital Bonds are reminded that any subscription or purchase may only be made on the basis of the information contained in the Offering Memorandum.

In member states of the EEA, the Offering Memorandum is directed only at persons who are "qualified investors" within the meaning of the Prospectus Regulation. The Offering Memorandum must not be acted on or relied on in any member state of the EEA by persons who are not qualified investors. Any investment or investment activity to which the Offering Memorandum relates is available only to qualified investors in any member state of the EEA.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Digital Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The communication of this Offering Memorandum and any other document or materials relating to the issue of the Digital Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Order), or within Article 49(2)(a) to (d) of the Order, or to any other persons to whom it may otherwise lawfully be communicated or caused to be communicated under the Order (all such persons together referred to as "relevant persons"). Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with such persons. This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. The communication of this Offering Memorandum to any person in the United Kingdom who is not a relevant person is unauthorized and may contravene the FSMA.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; and (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 ("**MIFIR**") as it forms part of domestic law by virtue of the EUWA ("**UK MIFIR**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the Digital Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/Professional Investors and Eligible Counterparties Only Target Market

Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Digital Bonds has led to the conclusion that: (i) the target market for the Digital Bonds is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Digital Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Digital Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Digital Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For the purposes of this provision, the expression 'manufacturer' means the Issuer and the Arranger.

UK MIFIR product governance/Professional investors and Eligible Counterparties Only Target Market

Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Digital Bonds has led to the conclusion that: (i) the target market for the Digital Bonds is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018/EUW; and (ii) all channels for distribution of the Digital Bonds to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Digital Bonds (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Digital Bonds (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

For the purposes of this provision, the expression 'manufacturer' means the Issuer and the Arranger.

This Offering Memorandum has been made available in an electronic form. You are reminded that documents made available or transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arranger, the Tokenizer or any person who controls the Issuer, the Arranger, the Tokenizer or any director, officer, employee, independent contractor or agent of the Issuer, the Arranger, the Tokenizer or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Memorandum made available to you in electronic format and the hard copy version available to you on request from the Arranger.

UPON THE ACQUISITION OF A DIGITAL BOND TOKEN OR A BOND TOKEN RECEIPT, THE RELEVANT HOLDER SHALL BE DEEMED TO HAVE MADE TO THE ISSUER, THE ARRANGER AND THE TOKENIZER THE REPRESENTATIONS AND ACKNOWLEDGMENTS DESCRIBED IN THE SECTION ENTITLED "*REPRESENTATIONS AND ACKNOWLEDGMENTS BY HOLDERS*" OF THE OFFERING MEMORANDUM.

THE DIGITAL BONDS MAY ONLY BE SUBSCRIBED BY PERSONS SATISFACTORILY COMPLETING INVESTOR SCREENING AND DIGITAL BOND TOKENS AND BOND TOKEN RECEIPTS MAY NOT BE TRANSFERRED TO ANY DIGITAL WALLET ADDRESS CONTROLLED BY ANY PERSON OR ENTITY WHICH IS THE SUBJECT OF ANY SANCTIONS (AS DEFINED IN THE SECTION ENTITLED "*TERMS AND CONDITIONS OF THE OFFER*").

The Issuer accepts responsibility for the information contained in this Offering Memorandum. The Issuer declares that to the best of its knowledge, the information contained in this Offering Memorandum is in

accordance with the facts and that this Offering Memorandum makes no omission likely to affect its import. None of the Arranger, the Tokenizer or the Security Agent or any of their respective directors, officers, employees, independent contractors, agents or affiliates (each, a "**Related Party**") have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Arranger, the Tokenizer, the Security Agent or any Related Party for the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the Digital Bonds. Any websites and the information contained in such websites incorporated by reference in this Offering Memorandum do not form part of this Offering Memorandum.

No person is authorized to give any information or to make any representation not contained in this Offering Memorandum and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Issuer, the Arranger, the Tokenizer or the Security Agent. Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Offering Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Offering Memorandum has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Digital Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) do not constitute a collective investment scheme within the meaning of Directive 2009/65/EC (the "UCITS Directive"). Therefore, they are not subject to authorization by any competent authority and potential investors do not benefit from the specific investor protection provided under the UCITS Directive (as transposed into the domestic law of any EEA state or the United Kingdom) and are exposed to the credit risk of the Issuer. Any investment in the Digital Bonds does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

The Digital Bonds may not be a suitable investment for all Holders.

Each potential investor or Holder should determine the suitability of investing in the Digital Bonds in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to meaningfully evaluate the Digital Bonds, the merits and risks of investing in the Digital Bonds and the information contained in this Offering Memorandum;

(ii) have the appropriate understanding of blockchain technology as used by the Ethereum Network (on which the Bond Smart Contract is deployed) and other digital assets, smart contract storage mechanisms, blockchain-based software systems and blockchain technology, to be able to evaluate the risks and merits of purchasing the Digital Bonds, to evaluate the risk associated with the blockchain technology and to make its own independent investment decision;

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

(iv) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Digital Bonds, including where the currency for principal or

interest payments is different from the currency in which such potential investor's financial activities are principally denominated;

(v) understand thoroughly the terms of the Digital Bonds and be familiar with the behaviour of the financial markets and crypto markets; and

(vi) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Investors should carefully consider the contents of the section of this Offering Memorandum entitled "*Risk Factors*" below before making any investment decision in relation to the Digital Bonds.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Digital Bonds are legal investments for it, (2) Digital Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Digital Bonds. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Digital Bonds under any applicable risk-based capital or similar rules.

Tax considerations

Investors must seek their own tax advice in connection with purchasing the Digital Bonds, which may result in adverse tax consequences, including but not limited to withholding taxes, income taxes, stamp duty and tax reporting requirements. Holders bear the sole responsibility for any taxation requirements in purchasing, holding or transferring the Digital Bonds. Holders should rely on their own analysis of any relevant fiscal or other laws and regulations and should take advice from appropriate legal or taxation professionals.

Forward-looking statements

This Offering Memorandum contains certain statements that are forward-looking including statements with respect to the Issuer's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof. For the avoidance of any doubt, such forward-looking statements are not (nor shall they be construed or interpreted as) a "forecast" (or as "forecasts") within the meaning of applicable securities laws and regulations. Subject to applicable law or regulation, the Issuer explicitly disclaims any intention or obligation or undertaking publicly to release the result of any revisions to any forward-looking statements in this Offering Memorandum that may occur due to any change in the Issuer's expectations or to reflect events or circumstances after the date of this Offering Memorandum.

Currency

References in this Offering Memorandum to "**U.S. dollars**", "**dollars**" or "**USD**" refer to the lawful fiat currency of the United States of America.

References in this Offering Memorandum to "**USDC**" refer to the USD-pegged crypto stablecoin known as "USD Coin" issued and managed by the consortium known as Centre, founded by Circle Internet Financial Limited ("**Circle**").

References in this Offering Memorandum to "**ETH**" refer to the native cryptocurrency of the Ethereum blockchain known as "Ether".

Summary

This summary must be read as an introduction to this Offering Memorandum and any decision to invest in the Digital Bonds should be based on a consideration of this Offering Memorandum as a whole, including in particular, the risk factors described in the section entitled "*Risk Factors*".

Words and expressions defined in the Conditions of the Digital Bonds or elsewhere in this Offering Memorandum have the same meanings in this overview.

Issuer	Digital Bonds Ltd, an exempted company incorporated in Bermuda with registration number 202302760 and registered as a segregated accounts company under the Bermuda Segregated Accounts Companies Act 2000, as amended (the "**SAC Act**") with its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda, which is regulated and licensed by the Bermuda Monetary Authority (the "**BMA**") to conduct digital asset business in and from within Bermuda under and in accordance with the Digital Asset Business Act 2018 (as amended) (the "**DABA**"), acting in respect of its segregated account designated as "**DB Series-11**".
Risk Factors	The principal risk factors that may affect the Issuer's ability to fulfil its obligations under the Digital Bonds are discussed in the Section entitled "*Risk Factors*".
Arranger and Tokenizer	PV01 Capital Markets Ltd., an exempted company limited by shares established under the laws of Bermuda with registration number 202302581 with its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda, regulated and licensed by the BMA to conduct digital asset business in and from within Bermuda under and in accordance with the DABA ("**PV01**").
Broker and Custodian	StoneX Financial Ltd.
Sub-Custodians	StoneX Correspondent Clearing, a division of StoneX Financial Inc. and Bank of America Corporation
Security Agent	Ankura Trust Company, LLC
On-Off Ramper	Coinbase, Inc.
Digital Bonds	Up to USDC 25,000,000 Zero Coupon Secured Limited Recourse Rollable Digital Bonds due 4 February 2025
Maximum Issue Amount	USDC 25,000,000
Issue Price	99.68647 per cent.
Issue Date	7 January 2025* (See "*Issuance Settlement Window*" below)

Issuance Settlement Window	The Digital Bonds will be available for issuance during the period commencing at approximately 13:30 UTC on 7 January 2025 and ending at approximately 16:30 UTC (the "**Issuance Settlement Cut-off Time**") on 7 January 2025 (such period, the "**Issuance Settlement Window**"). **Committed Investors will be able to settle their bond purchases via the Pivio Platform at www.pv0.one or by accessing the Smart Contract directly at its DLT address during the Issuance Settlement Window and should do so by no later than the Issuance Settlement Cut-Off Time to avoid a failed settlement. Any subscription orders not settled by the Issuance Settlement Cut-Off Time may be cancelled by the Issuer.** No interest or other amount is payable to any Holder in respect of Digital Bonds for which such Holder has made payment of the Holder's Funding Commitment (as defined in the Conditions) and received Digital Bond Tokens prior to expiry of the Issuance Settlement Window or any Additional Issuance Settlement Window – see "*Additional Issuance Settlement Windows*" below).
Additional Issuance Settlement Windows	Digital Bonds may also be available for issuance during any Additional Issuance Settlement Window as determined by the Issuer subject to and in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*). Any Digital Bonds issued during an Additional Issuance Settlement Window shall be identical in all respects to the Digital Bonds issued on the Issue Date, other than their Issue Price, their Issue Date and the amount of the Tokenization Services Fee and shall be consolidated with and fungible with the Digital Bonds issued on the Issue Date. The Issuer shall issue a Notice to the Holders in accordance with Condition 39) (*Notices*) prior to the opening of an Additional Issuance Settlement Window.
Maturity Date	4 February 2025* (See "*Scheduled Redemption Payment Window*" below). Holders do not have the right to require the Issuer to redeem the Digital Bonds at any time prior to the Maturity Date.
Scheduled Redemption Payment Window	Unless earlier terminated or redeemed, the Digital Bonds will be available for redemption at their Final Payout Amount during the period commencing upon the issuance by the Issuer of a notice to the Holders on 4 February 2025 (the "**Maturity Date**") and ending at 24:00 UTC (the "**Scheduled Redemption Settlement Cut-Off Time**") on 4 March 2025 (such period, the "**Scheduled Redemption Payment Window**"). **Holders will be able to claim their redemption payments via the Pivio Platform at www.pv0.one during the Scheduled Redemption Payment Window and should do so by no later than the Scheduled Redemption Settlement Cut-Off Time to avoid a Payment Claim Failure.** **Any Holders who have not successfully claimed their redemption payments during the Scheduled Redemption Payment Window must follow the procedures outlined in Condition 21) *(Payment Claim***

	***Failure*).** No interest or other amount is payable to any Holder in respect of Digital Bonds, regardless of the time at which the Holder has submitted its claim for payment of the Final Payout Amount to the Bond Smart Contract or the time at which such claim is otherwise paid by or on behalf of the Issuer.
Distribution	The Digital Bonds are offered outside the United States in reliance on Regulation S and in "offshore transactions" to persons that are not "U.S. persons" (as defined in Regulation S) and to professional investors (or equivalent) only in the EEA, the UK and certain other jurisdictions as set forth under "*Selling Restrictions*".
Interest	The Digital Bonds do not bear any interest but are issued at a discount to their principal amount.
Anticipated yield	4.10% (act/act), equivalent to 4.1785% APR The anticipated yield for any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Settlement Windows*) shall be as indicated on the Pivio Platform and in the Term Sheet provided to potential purchasers of such Digital Bonds.
Form, Denomination	The Digital Bonds are denominated in USDC, in the principal amount of USDC 1.00 per Digital Bond and issued on the DLT in bearer dematerialized form represented by the Digital Bond Tokens. The Digital Bond Tokens also have a notional value of 1.00 USDC per Digital Bond Token and are intended to be fully negotiable and are freely tradeable on the DLT in any USDC amount (up to 6 decimal places).
Deed Poll	The Issuer has executed the Deed Poll for the benefit of the Holders of the Digital Bonds from time to time, which includes provisions, *inter alia*, constituting the Digital Bonds (including any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*)) incorporating the Conditions and providing for the Issuer's obligations under the Digital Bonds, including the Issuer's covenant to pay, to be attached to the Digital Bond Tokens.
Bond Smart Contract	The creation of the Digital Bond Tokens and the execution of all transactions in the Digital Bond Tokens are performed by the Bond Smart Contract which is designed, coded and activated by the Tokenizer to implement the Deed Poll and the Conditions, which are also incorporated by reference into the Bond Smart Contract. The Bond Smart Contract DLT address is: https://etherscan.io/address/0x1A4cFD8fc52FF3F4e66B18f4d355ad6a5111f2e6 The Bond Smart Contract includes a URL to the web address where immutable signed originals of the Deed Poll, the Security Deed and the Arrangement and Tokenization Services Agreement are available for viewing. The Bond Smart

	Contract also includes a reference to a hash (a unique and unrepeatable identifier) in respect of these documents, enabling investors to verify at any time whether they have been modified.
Automatic Rollover Subscription Option	Pursuant to the Automatic Rollover Subscription Option, each Holder of Digital Bonds shall have the option to instruct an automatic reinvestment or "rollover" of the Final Payout Amount payable in respect of such Digital Bonds towards a subscription for digital bonds of a new Series to be issued on the Maturity Date and having the characteristics set out in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*), by way of an exchange of the Digital Bond Tokens representing such Digital Bonds for Digital Bond Tokens representing digital bonds of the new Series.
Bond Token Vault and Bond Token Vault Smart Contract	The Tokenizer has designed and deployed an ERC-2646 tokenized vault (the "**Bond Token Vault**") on the DLT for the purpose of enabling Holders of the Digital Bonds to exercise and opt out of the Automatic Rollover Subscription Option by depositing and withdrawing Digital Bond Tokens into and out of the Bond Token Vault. The minting and delivery of Bond Token Receipts (see *Bond Token Receipts* below) in exchange for Digital Bond Tokens and the execution of all transactions in the Bond Token Receipts are performed by the Bond Token Vault Smart Contract, which is designed, coded and activated by the Tokenizer to implement the provisions of the Deed Poll (including the Conditions) relating to the operation of the Bond Token Vault and the Automatic Rollover Subscription Option. The Bond Token Vault Smart Contract DLT address is: https://etherscan.io/token/0x526Be1c610616be0e8e69893fC6766FddfBaDA61 The Bond Token Vault Smart Contract is designed in conformity with the Ethereum ERC-4626 Tokenized Vault specifications and has the functions set out in Condition 29) (*Bond Token Vault Smart Contract Functionalities*).

Bond Token Receipts	The Bond Token Vault mints and delivers Bond Token Receipts (as defined in Condition 13)d) (*Automatic Rollover Subscription Option – Bond Token Receipts*) in the form of ERC-4626 fungible tokens to each Holder making a Bond Token Deposit (as defined in Condition 13)c) (*Automatic Rollover Subscription Option – Bond Token Deposit*)). Each Bond Token Receipt evidences the Receiptholder's entitlement to a percentage or "Share" of the Digital Bond Tokens in the Bond Token Vault from time to time. Such Digital Bond Tokens may be withdrawn by the Receiptholder from the Bond Token Vault in exchange for the Bond Token Receipts at any time up to 12:30 UTC on the Maturity Date or such later time at which the book-building period for the Rollover Bonds closes on their Issue Date as notified via the Pivio Platform (the "**Rollover Cut-Off Time**"). The Bond Token Receipts can be transferred (subject to the same transfer and selling restrictions as are applicable to the Digital Bonds) on the DLT in any amount (up to 6 decimal places). Provided the Receiptholder has not withdrawn such Digital Bond Tokens form the Bond Token Vault before the Rollover Cut-Off Time, the Receiptholder is deemed to have instructed (subject at all times to the Conditions) that such Digital Bond Tokens are to be exchanged for Digital Bond Tokens representing Rollover Bonds on the Maturity Date of the Digital Bonds represented thereby. **Bond Token Receipts may not be used to submit any payment claims in respect of the Digital Bonds. All payment claims must be submitted to the Bond Smart Contract using the Digital Bond Tokens.** In order to submit a payment claim under the Digital Bonds, or if the Receiptholder no longer wishes to exercise the Automatic Rollover Subscription Option, the Receiptholder must make a Bond Token Withdrawal before the Rollover Cut-Off Time.
Rollover Settlement	Upon each Rollover Settlement, pursuant to Condition 18) (*Rollover Settlement*), Digital Bond Tokens deposited by Holders into the Bond Token Vault and not withdrawn as of the Rollover Cut-Off Time shall, upon their Maturity Date, be delivered to the Subsequent Issuer in exchange for delivery into the Bond Token Vault of Digital Bond Tokens representing Rollover Bonds, having an aggregate Issue Price equal to the aggregate Final Payout Amount payable in respect of the Maturing Digital Bonds. (See "*Rollover Bonds*" below.) This settlement is effected by the Tokenizer as Vault Owner executing the Rollover Function of the Bond Token Vault Smart Contract (See "*Bond Token Vault Smart Contract Functionalities*" below). No action is required to be taken (in particular, no subscription order is required to be placed) by Receiptholders in connection with the Rollover Settlement. Final pricing guidance in respect of the Rollover Bonds will be available on the Pivio Platform approximately 30 mins before the Rollover Cut-Off Time on the Maturity Date. Any Receiptholder who no longer wishes to exercise the Automatic Rollover Subscription Option must make a Bond Token Withdrawal before the Rollover Cut-Off Time.

Rollover Bonds	The Rollover Bonds (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*)) delivered in exchange for Maturing Digital Bonds upon each Rollover Settlement shall have the following characteristics: (i) the Rollover Bonds shall be of a series of Digital Bonds (each, a "**Series**") issued on or about the Maturity Date of the Digital Bonds; (ii) the Rollover Bonds shall be issued by another segregated account of Digital Bonds Ltd (the "**Subsequent Issuer**"); (iii) the Rollover Bonds shall have, as near as possible (depending upon the availability of Underlying T-bills with the corresponding maturity date), the same duration as the Maturing Digital Bonds; (iv) the Rollover Bonds shall be collateralized by U.S. government-issued treasury notes having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Rollover Bonds as of their Issue Date and maturing on the Maturity Date of the Rollover Bonds; (v) the Rollover Bonds will be subject to the same Bond Conditions as the Maturing Digital Bonds, other than: (a) the segregated account of Digital Bonds Ltd acting as the Issuer; (b) the Issue Price; (c) the Issue Date; (d) the Maximum Issue Amount; (e) the Maturity Date; (f) the Bond Smart Contract address; (g) the ISIN/CUSIP of the Underlying T-bills; (h) the Reference Price; (i) the Accrual Yield; (j) the Tokenization Services Fee; and (k) such other changes as the Subsequent Issuer may determine in its sole discretion in accordance with Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*).

Title and Transfer	Ownership of the Digital Bonds and of the Bond Token Receipts is determined exclusively by possession in accordance with the Conditions, whereby "possession" refers to the ability to operate a digital wallet to which any Digital Bond Token or Bond Token Receipt is credited, which may only be had through control over the private keys to such digital wallet. Each person or entity having "possession" of a Digital Bond Token from time to time is referred to as a holder of the Digital Bonds (each, a "**Holder**" and, together, the "**Holders**"). Each person having, at any time, possession of a Bond Token Receipt (each, a "**Receiptholder**" and, together the "**Receiptholders**") shall (except as otherwise required by Law and without prejudice to Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*)) be treated as the absolute owner of such Bond Token Receipt and as having possession of the number of Digital Bond Tokens in the Bond Token Vault for which such Bond Token Receipt may be exchanged at that time, and thereby ownership of the number of Digital Bonds represented by such number of Digital Bond Tokens in the Bond Token Vault at that time. Only the Receiptholder has the ability to effect any transaction in such Bond Token Receipt (including any transfer of the Bond Token Receipt and any Bond Token Withdrawal (as defined in Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*). The Vault Owner does not have the ability to effect any transactions in the Bond Token Receipts or the Digital Bond Tokens in the Bond Token Vault. Each transferee of a Digital Bond Token or a Bond Token Receipt takes ownership of the Digital Bonds represented by such Digital Bond Token or of such Bond Token Receipt free of any defects in the title of the transferor in accordance with Condition 4) (*Title and Transfer*). The Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) are exclusively transferable and exercisable via the DLT. All transactions in the Digital Bond Tokens and the Bond Token Receipts will be validated and publicly visible on the DLT by, for example, searching the Bond Smart Contract address on a blockchain explorer and analytics platform such as Etherscan. Only transactions in the Digital Bond Tokens and Bond Token Receipts which are consistent with the transaction history recorded on the DLT and signed with the relevant private key will be validated by the DLT. The Issuer will be entitled to identify the digital wallet addresses to which the Digital Bond Tokens and the Bond Token Receipts are, or have been, credited from time to time by reference to the record of transactions in the Digital Bond Tokens and Bond Token Receipts visible on the DLT. The DLT is not, however, a register of ownership of the Digital Bonds, which is determined solely by possession of the Digital Bond Tokens. None of the Issuer, the Tokenizer, the Security Agent or any other party will maintain a register of Holders of the Digital Bonds or of the Receiptholders.

Collateral and Custody	The Digital Bonds will be collateralized by U.S. government-issued treasury notes having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Digital Bonds and maturing on the Maturity Date of the Digital Bonds, under the ISIN US912797NF01 / CUSIP 912797NF0 (the "**Underlying T-bills**"). The Underlying T-bills will be deposited and held for the Issuer together with any related cash in segregated cash and securities sub-accounts with the Custodian in accordance with Condition 9) (*Custody and Collateral*).
Security	Under the Security Deed, as security for the Issuer's obligations to the Holders of the Digital Bonds and to the Security Agent, the Issuer has granted a security interest to the Security Agent for the benefit of the Holders and the Security Agent consisting of a fixed charge (expressed to be first ranking) over the Collateral (as defined in Condition 9) (*Custody and Collateral*), which includes, among other things, the Underlying T-bills credited to the Securities Collateral Account. By acquiring the Digital Bonds, each Committed Investor (as defined in Condition 7) (*Primary Issuance Process*)) for itself and any of its Transferees is deemed to appoint the Security Agent as its agent and to have instructed the Security Agent in accordance with the Holder Instructions (as defined in Condition 50) (*Holder Instructions*) to exercise its rights under the Deed Poll (including the Conditions), including, without limitation, Condition 23) (*Realization Event*), Condition 24) (*Enforcement*), Condition 25) (*Realization Event Priority of Payments*) and Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*) and the Security Deed upon the occurrence of a Realization Event (as defined in Condition 23) (*Realization Event*). The Holders of the Digital Bonds may only exercise their rights in respect of the Security through the Security Agent.
Status - Limited Recourse	The Digital Bonds constitute direct, secured, unconditional, limited recourse debt obligations of the Issuer. The Digital Bonds rank *pari passu* equally and rateably without discrimination or preference amongst themselves. The liability of the Issuer in respect of the Digital Bonds is limited to the amounts received by the Issuer in respect of the Collateral in accordance with Condition 40) (*Limited Recourse*). If such amounts received by the Issuer are insufficient to satisfy all claims of Holders in respect of the Digital Bonds, the obligations of the Issuer under the Digital Bonds will be reduced accordingly, and any remaining claims of Holders against the Issuer in respect of the Digital Bonds will be permanently extinguished.
Non-Petition	In accordance with Condition 41) (*Non-Petition*), once the Security Agent has realized the Collateral and distributed the proceeds, neither the Security Agent or the Holders will have the right to take any further steps against the Issuer to recover any further amounts and no debt will be owed by the Issuer in respect of any such further amounts.

	Neither the Security Agent or the Holders may at any time institute any insolvency or winding-up proceedings against the Issuer or join in any such proceedings against the Issuer under any bankruptcy or similar law in any jurisdiction in connection with the obligations of the Issuer other than lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer.
Early Termination (Issuer Call)	The Digital Bonds may be terminated at the option of the Issuer in whole, but not in part, at any time, on giving notice to the Holders not less than 2 Business Days prior to the date selected for early termination, if the Issuer in its sole discretion determines that a Termination Event (as defined in Condition 12)b) (*Redemption - Early Termination – Issuer Call*) has occurred. Upon any early termination of the Digital Bonds due to the exercise by the Issuer of the Issuer Call, the Digital Bonds will be subject to redemption at their Early Termination Amount on the Early Termination Date in accordance with the procedures set forth in Condition 17)h) (*Settlement - Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds*).
Optional Redemption (Tax Event)	The Digital Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving notice to the Holders not less than 2 Business Days prior to the date selected for redemption, if the Issuer in its sole discretion determines that a Tax Event (as defined in Condition 12)c) (*Redemption - Early Redemption – Tax Event*) has occurred. Upon any early redemption of the Digital Bonds due to the occurrence of a Tax Event, the Digital Bonds will be subject to redemption at their Early Redemption Amount on the Early Redemption Date in accordance with the procedures set forth in Condition 17)h) (*Settlement – Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds*).
Partial Early Redemption	The Issuer may, upon the request of a Holder of the Digital Bonds, redeem the Digital Bonds held by such Holder at their Partial Early Redemption Amount (as defined in Condition 12)d) (*Redemption - Partial Early Redemption*)), on a date as agreed between the Issuer and such Holder (a "**Partial Early Redemption**"), subject to and in accordance with Condition 12)d) (*Redemption - Partial Early Redemption*). Any such Partial Early Redemption of Digital Bonds by the Issuer will be funded by the liquidation of a corresponding principal amount of the Underlying T-bills and shall be settled in accordance with the settlement procedures prescribed in Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*). Upon its completion, the Issuer shall deliver a Notice to the Holders in accordance with Condition 39) (*Notices*) and to the Security Agent informing them of the details of such Partial Early Redemption as prescribed in Condition 12)d) (*Redemption - Partial Early Redemption*).
Rollover Termination	**Automatic** The Automatic Rollover Subscription Option shall be automatically terminated upon the occurrence of an Automatic Rollover Termination Event (as defined in Condition 14)a) (*Termination of Automatic Rollover Subscription Option – Automatic Termination*). Such Automatic Rollover Termination Events,

	include any Early Termination or Early Redemption of the Digital Bonds of the Vault Series, the occurrence of a Realization Event in respect of the Vault Series, the occurrence of a Depeg Event or a failure by the Subsequent Issuer to issue Rollover Bonds on the Maturity Date of the Vault Series or to deliver Rollover Bonds into the Bond Token Vault in exchange for Digital Bond Tokens representing Digital Bonds of the Vault Series. **By the Issuer** The Issuer shall have the right, in its discretion, to terminate the Automatic Rollover Subscription Option upon the occurrence of an Issuer Rollover Termination Event (as defined in Condition 14)b) (*Termination of Automatic Rollover Subscription Option – Termination by Issuer*). Such Issuer Rollover Termination Events include, among other things, the Issuer anticipates that the Final Payout Amount payable in respect of the Digital Bonds on the Maturity Date will be less than their principal amount, any determination by the Issuer that the continued operation of the Bond Token Vault or the Automatic Rollover Subscription would be unlawful, impossible or unduly onerous, a failure or anticipated failure of the U.S. government to make full and timely payment of its debt obligations, increased costs to the Issuer of maintaining the Bond Token Vault, the Bond Token Receipts or effecting a Rollover of the Digital Bonds or increased technological and/or operational risks related to the DLT. Upon any Rollover Termination, the Tokenizer shall not effect a Rollover of the Digital Bond Tokens in the Bond Token Vault on the Maturity Date. Receiptholders will be required to withdraw all Digital Bond Tokens from the Bond Token Vault in order to submit any payment claim in respect of the Digital Bonds represented thereby. ***Holders must not deposit Digital Bond Tokens to the Bond Token Vault following any Rollover Termination.***
Bond Smart Contract Functionalities	The Bond Smart Contract shall have the Bond Smart Contract Functions set out in Condition 28) (*Bond Smart Contract Functionalities*), including the Minting Function, the Burning Function and the Pausing Function which (to the extent not pre-programmed to execute automatically) are executed by the Tokenizer on the Issuer's behalf (and following the occurrence of a Realization Event, on the Security Agent's behalf), in accordance with the provisions of Condition 28) (*Bond Smart Contract Functionalities*). The Tokenizer will execute the Pausing Function to prevent further dealings in the Digital Bond Tokens immediately upon delivery of a Security Enforcement Notice or an Enforcement Notice in accordance with Condition 24)d) (*Enforcement – Realization of Collateral*). Other than as provided in Condition 28) (*Bond Smart Contract Functionalities*), neither the Issuer nor the Tokenizer has the ability to update the implementation of the Bond Smart Contract once the Bond Smart Contract has been deployed. Only certain non-immutable data in the Bond Smart Contract is modifiable as necessary for the Bond Smart Contract to operate consistently with the provisions of the Deed Poll (including the Conditions).
Bond Token Vault Smart Contract Functionalities	The Bond Token Vault Smart Contract is designed in accordance with the Ethereum ERC-4626 standard and has the Bond Smart Contract Functions set out in Condition 29) (*Bond Token Vault Smart Contract Functionalities*), including the Mint/Deposit Function, the Redeem/Withdraw Function, the Rollover Function and the Vault Pausing Function, which functions may be

	triggered by the Vault Owner or the Holders in accordance with Condition 29) (*Bond Token Vault Smart Contract Functionalities*). The Tokenizer has the exclusive ability to trigger the Rollover Function in order to effect a Rollover Settlement. The Tokenizer also has the exclusive ability to execute the Vault Pausing Function and will do so to prevent further dealings in the Bond Token Receipts immediately upon the delivery of a Realization Event Notice by the Issuer in accordance with Condition 23) (*Realization Event*) and as otherwise provided in Condition 29) (*Bond Token Vault Smart Contract Functionalities*) . As described in Condition 29) (*Bond Token Vault Smart Contract Functionalities*), the Tokenizer has the exclusive limited ability to update the implementation of the Bond Token Vault Smart Contract once the Bond Smart Contract has been deployed, subject always to the Deed Poll (including the Conditions). Certain non-immutable data in the Bond Token Vault Smart Contract is also modifiable as necessary for the Bond Token Vault Smart Contract to operate consistently with the provisions of the Deed Poll. The Tokenizer (as Vault Owner) and the Issuer otherwise do not have the ability to execute the Bond Token Vault Smart Contract Functions. Only the Receiptholders have the ability to execute transactions involving the Bond Token Receipts, including transfers, Bond Token Deposits and Bond Token Withdrawals. Neither the Issuer nor the Tokenizer has the ability to withdraw, transfer or burn the Digital Bond Tokens in the Bond Token Vault nor to transfer or burn the Bond Token Receipts.
Fork Event	If a Fork Event (as defined in Condition 32) (*Fork Event*)) occurs, the Issuer will have the right to execute the Pausing Function in the Bond Smart Contract, to determine (in the case of a Soft Fork) whether to participate in the Fork or (in the case of a Hard Fork) to determine which of the Fork's resulting chains will be recognized or to determine that the Fork Event shall be treated as a Distributed Ledger Event, all in accordance with Condition 32) (*Fork Event*).
Distributed Ledger Event	If a Distributed Ledger Event (as defined in Condition 33) (*Distributed Ledger Event*)) occurs, the Issuer will have the right to execute (and, if necessary, maintain) the Pausing Function of the Bond Smart Contract, to add digital wallet addresses to the Digital Wallet Blacklist and/or to treat the Distributed Ledger Event as a Termination Event, all in accordance with Condition 33) (*Distributed Ledger Event*).

Depeg Event	If a Depeg Event (as defined in Condition 34) (*Depeg Event*)) occurs, the Issuer shall have the right to: (i) postpone any payment otherwise due in respect of the Digital Bonds; (ii) substitute another USD-pegged stablecoin in place of USDC as the Settlement Currency for the Digital Bonds; (iii) determine to settle the Digital Bonds off-chain in USD; or, if this is not practicable, (iv) determine to settle the Digital Bonds on-chain in USDC, all in accordance with Condition 34) (*Depeg Event*).
Rating	Neither the Issuer nor the Digital Bonds are or are expected to be rated by any credit rating agency.
Taxation	Payments under the Digital Bonds shall be made by the Issuer free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or on behalf of Bermuda, the United Kingdom, or any political subdivision thereof or any authority therein or thereof having the power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. If required by law, the Issuer shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to the Holder(s), such amount as the Issuer determines in its sole discretion is necessary for the payment of such taxes, duties, assessments and/or governmental charges. Holders shall not be entitled to receive additional amounts to compensate for any amounts so withheld or deducted.
Governing Law	The Digital Bonds (including all aspects of the Bond Smart Contract and the Bond Token Vault Smart Contract), the Deed Poll (incorporating the Conditions), each of the Transaction Documents and any non-contractual obligations arising under or in connection with any of them are governed by and construed in accordance with the laws of England (without reference to the principles of conflicts of law rules). The English courts have exclusive jurisdiction to settle any disputes arising under or in connection with the Digital Bonds, the Deed Poll (including the Conditions) and any non-contractual obligations arising under or in connection therewith (including any dispute relating to the existence, validity or termination of the Digital Bonds) and the Issuer has irrevocably submitted to the jurisdiction of such courts.
Use of Proceeds	The net proceeds of the issuance of the Digital Bonds on the Issue Date and during any Additional Issuance Settlement Window (after retaining the applicable Issuance Fee and making payment to the Tokenizer of the applicable Tokenization Services Fee) will be applied by the Issuer toward the purchase of the Underlying T-bills.
Listing and Admission to	The Digital Bonds are not listed or admitted to trading on any regulated or unregulated exchange, multilateral trading facility or other trading venue in any

Trading	jurisdiction, nor are they admitted to listing or trading on any crypto exchange, market or trading platform.
Selling Restrictions	No action has been or will be taken by the Issuer that would permit a public offering of any Digital Bonds or possession or distribution of any offering material in relation to any Digital Bonds in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of any Digital Bonds or distribution of any offering material relating to any Digital Bonds may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and/or regulations and which will not impose any obligation on the Issuer. **The Digital Bonds are not for distribution to any U.S. Person or to any person or address in the U.S. As such, the Digital Bonds must not be transferred except to persons that are outside of the United States and are not "U.S. Persons" within the meaning of Rule 902 of Regulation S.** **Accordingly, the Digital Bonds must not be offered, sold, resold, pledged, hypothecated or otherwise transferred except; (i) in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from registration; (ii) in accordance with applicable, laws, rules and regulations; and (iii) in accordance with the Selling Restrictions set forth in the Conditions.** Holders are deemed to be aware of, to have read and understood, and by acquiring the Digital Bonds are deemed to have agreed and undertaken to comply with, the Selling Restrictions set out in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions when conducting any sale of the Digital Bonds in the secondary market. See the Section of this Offering Memorandum entitled "*Selling Restrictions*".
Sanctions Restrictions	Digital Bonds must not be issued or sold to Sanctions Targets and Digital Bond Tokens and Bond Token Receipts must not be transferred to or from any digital wallet address associated with a person or entity which is a Sanctions Target. The Bond Smart Contract will be programmed to automatically block interactions with any digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions. Holders are deemed to be aware of, to have read and understood, and by acquiring Digital Bonds are deemed to have agreed and undertaken to comply with, the Sanctions Restrictions (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions when conducting any secondary transfers of Digital Bonds.

	Holders and transferees conducting secondary transfers of the Digital Bonds are responsible for performing their own checks, conducting their own due diligence and taking such other steps as may be necessary in order to ensure the transfer is compliant with the Sanctions Restrictions. See the Section entitled "*Sanctions, Transfer Restrictions and Eligibility Criteria*".
Eligibility Criteria	In addition to the Sanctions Restrictions and the Selling Restrictions, the Digital Bonds must not be transferred to any Person (and Digital Bond Tokens or Bond Token Receipts must not be transferred to any digital wallet associated with any Person) which is not eligible to purchase the Digital Bonds in accordance with the Eligibility Criteria (as defined in paragraph 4 (*Eligibility Criteria*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions. Holders are deemed to have read and understood the Eligibility Criteria, and by acquiring the Digital Bonds shall be deemed to have undertaken to take all necessary steps to ensure that they do not transfer Digital Bonds to a Person (or Digital Bond Tokens or Bond Token Receipts to a digital wallet address associated with a Person) which does not meet the Eligibility Criteria.
Transaction Fees	Tokenization Services Fee: 0.010699% of the aggregate principal amount of the Digital Bonds. Issuance Fee: USDC 100.00 The Tokenization Services Fee and the Issuer Fee are factored into the issue price of the Digital Bonds by way of offering the Digital Bonds at a discount to par which is less than the discount to par at which the Underlying T-bills are purchased by the Issuer. The Tokenization Services Fee and the Issuance Fee (if any) payable in connection with the issuance of any Digital Bonds during an Additional Issuance Settlement Window shall be as indicated on the Pivio Platform and in the Term Sheet provided by the Tokenizer to potential purchasers of such Digital Bonds. DLT Fees: Each Holder is responsible for payment of any DLT Fees and any other DLT transaction fees payable in connection with DLT transactions initiated by such Holder, including transactions with the Bond Smart Contract, the Bond Token Vault Smart Contract or the Issuer.

Risk Factors

Investors should note that an investment in securities of the Issuer and digital bonds in general, involves a high degree of risk, including the risk of a total loss of all capital invested.

The material risk factors relating to the Issuer and the Digital Bonds are set out below. The most significant risk factors are prefixed to each section. Investors should consider carefully the risks outlined below, together with all other information contained in this Offering Memorandum. Investors should also take into account that any of the risks described may interact or occur cumulatively and thereby exacerbate each other. In that case, the Issuer's ability to meet its payment or delivery obligations under the Digital Bonds to investors may be adversely affected. The description of risks contained herein is not exhaustive. There may be other factors which do not appear material at the time of drafting this Offering Memorandum or of which the Issuer is currently not aware. In case one or more of the described risks or such further factors occur, the investors may suffer a partial or even a total loss of their investment.

The Issuer strongly recommends that potential investors conduct an examination of their personal risk situation by a competent advisor prior to the acquisition of any Digital Bonds.

Certain capitalized terms used in this section and not defined are defined in the terms and conditions of the Digital Bonds (together, the "**Conditions**" and each, a "**Condition**"). See "*Terms and Conditions of the Digital Bonds*" below.

Risks relating to the Issuer

The Issuer is exposed to a variety of risks that could adversely affect its results of operations and financial condition or its ability to make timely payment and perform its other obligations under the Digital Bonds, including, among others, those described below:

Risks related to the Financial Situation of the Issuer

General Insolvency Risk / Limited Recourse Obligations

The Digital Bonds constitute direct, secured, limited recourse obligations of the Issuer and rank *pari passu* without any preference amongst themselves and at least *pari passu* with all other current and future unsecured unsubordinated obligations of the Issuer. Although, due to its bankruptcy-remote characteristics, the risk of insolvency of the Issuer is low, insolvency of the Issuer may lead to a partial or total loss of the invested capital. Collateralization reduces the credit risk of the Issuer only to the extent that the proceeds from the liquidation or redemption of the Collateral (less any costs of liquidation, the fees and expenses of the Broker, the Custodian, and any amounts due to service providers ranking in priority to investors in the relevant priorities of payment) are sufficient to meet the investors' claims.

Condition 40) (*Limited Recourse*) provides that the liability of the Issuer in respect of the Digital Bonds from time to time and at any time shall be limited to the amounts received by the Issuer in respect of the Collateral. In the event that such amounts received by the Issuer are insufficient to satisfy all claims of Holders in respect of the Digital Bonds (due to fraud, theft, cyberattacks or any failure of the Issuer to receive payment in full in respect of the Collateral or to liquidate the Collateral at prices enabling the Issuer to fully perform its obligations under the Digital Bonds after payment of any other amounts due to service providers ranking ahead of investors in the applicable priority of payments) the obligations of the Issuer under the Digital Bonds shall be reduced accordingly, and any remaining claims of Holders against the Issuer in respect of the Digital Bonds shall be permanently extinguished.

Holders therefore bear the risk, among others, that payments under, or the liquidation of, the Collateral may result in insufficient proceeds to satisfy, in whole or in part, the Issuer's obligations under the Digital Bonds.

The Issuer may not have sufficient funds for making payments at any point in time, meaning that the Issuer may have difficulties meeting its financial obligations. In the event of insufficient liquid funds, in particular due to the inability to timely liquidate the Collateral at favourable prices or at all upon any early termination or early redemption of the Digital Bonds, there is a risk that the Issuer will not be able to, fully or partially, fulfil its payment obligations on time or at all.

The Issuer is dependent upon the Tokenizer to make payment (or to put the Issuer in funds sufficient to enable it to make payment) of amounts due from it to its service providers, including the Broker, the Custodian, the Security Agent, any Paying Agent, the On-Off Ramper and any Wallet Provider. If the Tokenizer fails to make payment to any of the Issuer's service providers, such service providers could withhold performance of their obligations to the Issuer or terminate their engagement with the Issuer, with the result that the Issuer is unable to service the Digital Bonds (including the making of any payments or transfers contemplated under the Conditions). Amounts remaining unpaid to the service providers upon any early termination or early redemption of the Digital Bonds, or upon their maturity, may need to be deducted from the proceeds received by the Issuer in respect of the Collateral in accordance with the Pre-enforcement Priorities of Payments, which may result in the Issuer having insufficient funds to make payment in full of amounts due to the Holders.

Credit Risk

Investors are exposed to the credit risk of the Issuer, and (indirectly) to the credit risk of the Broker, the Custodian, the Sub-Custodians, the Arranger, the Tokenizer, the On-Off Ramper and each Wallet Provider to the Issuer. An investor's ability to obtain payment in accordance with the Conditions of the Digital Bonds is dependent on the Issuer's ability to meet these obligations, which is in turn, dependent upon the creditworthiness of its counterparties. The Digital Bonds are not, either directly or indirectly, an obligation of any other party. As a result, irrespective of providing the Collateral for the benefit of the Holders to secure its payment obligations under the Conditions ("**Collateralization**"), the creditworthiness of the Issuer and its service providers may affect the market value of any Digital Bonds, and in the event of default, insolvency or bankruptcy of the Issuer or any service provider to the Issuer, investors may not receive the full amount (or any amount) owed to them under the Conditions in a timely manner or at all.

The Issuer is exposed to the credit risk of service providers with whom it holds cash (fiat currency) (BCB, the On-Off Ramper, the Custodian and the Sub-Custodians), crypto (USDC, ETH) (Fireblocks, the On-Off Ramper) and securities (including the Underlying T-bills) (the Custodian and the Sub-Custodians). This credit risk includes the possibility that the depository institution holding a financial instrument (cash, crypto or securities) will become insolvent or otherwise fail to fulfil an obligation or commitment to the Issuer. The Collateral Accounts are intended to be protected in the event of insolvency of the Custodian or the Sub-Custodians. Any insolvency of the Custodian or a Sub-Custodian may nevertheless result in delayed or impossible access to the Underlying T-Bills and other assets of the Issuer serving as Collateral for the Digital Bonds. In such an event, the investors may face a partial or total loss of their invested capital. No party involved, including the Custodian, the Sub-Custodians, the Security Agent, the Arranger, the Tokenizer or the Issuer is liable for any losses suffered by Holders due to the inability of the Issuer to fulfil its obligations in respect of the Digital Bonds due to a partial or total loss of the Collateral.

Investors are also exposed to the credit risk of PV01, which, as the Arranger and Tokenizer, respectively, provides ongoing liquidity funding to Digital Bonds Ltd (acting in respect of its general account) pursuant to the Arranger Agreement and transaction-specific liquidity funding the Issuer pursuant to the Arrangement and Tokenization Services Agreement. In the event PV01 is unable or fails for any reason to make payment to or on behalf of Digital Bonds Ltd (acting in respect of its general account) in respect of its operational expenses or to the Issuer in respect of the Issuer's expenses and its obligations to its service providers, such service providers could withhold their services, which could have a material adverse effect on the Issuer's ability to service the Digital Bonds or to continue operating. In the event of an insolvency of PV01, each of Digital Bonds Ltd (acting in respect of its general account) and the Issuer may be considered a general unsecured creditor in respect of any amounts owed to it. The Issuer may be required

to make payments to such service providers out of the proceeds of the Collateral to meet its obligations, which may result in a shortfall in the amounts available to the Issuer to make payments under the Digital Bonds, resulting in a partial or full loss of capital for Holders.

No Rating

Neither the Issuer nor the Digital Bonds are (or are expected to be) rated by any rating agency. A non-rated Issuer has less confidence of investors in the Issuer and could reduce its access to capital markets, materially increase the Issuer's costs and decrease the number of investors and counterparties that are willing or permitted to do business with the Issuer. The lack of a credit rating could have a material adverse effect on the Issuer's profitability and results of operations. The lack of a rating of the Digital Bonds could limit their liquidity in secondary markets due to being perceived as more risky and volatile and due to certain investors being prohibited from investing in unrated financial instruments.

Risks related to the Business Activities and Industry of the Issuer

Issuer as a Segregated Account of a Special Purpose Vehicle

Digital Bonds Ltd was incorporated on 30 August 2023 as an orphan special purpose vehicle in the form of an exempted company limited by shares and is registered as a segregated accounts company under the SAC Act. The entire issued share capital of Digital Bonds Ltd is held by Hamilton Trust Company Limited as share trustee (the "**Share Trustee**") on trust for charitable purposes. Digital Bonds Ltd's sole business purpose is the conduct of digital asset issuance transactions through its segregated accounts as proposed to it by the Arranger. The general account of Digital Bonds Ltd has received a one-time participation fee in the amount of USD10,000 from the Arranger as consideration for the participation of the segregated accounts of Digital Bonds Ltd in such digital asset issuances. Digital Bonds Ltd has no other assets or source of income and has limited reserves to maintain its operations. The general account of Digital Bonds Ltd depends on funding from the Arranger to cover its operating costs and any exceptional expenses or liabilities. If the general account of Digital Bonds Ltd fails to make timely payment of amounts due to its service providers, they could resign or withhold performance, which could have a detrimental effect on the Issuer's ability to continue its operations and to service the Digital Bonds. The expenses of operating Digital Bonds Ltd could exceed its income. If the Arranger fails to provide funding, this would require that the difference be paid out of its own capital, reducing the amount of capital available to it for operating its business and could place it at risk of insolvency.

Any insolvency of the Issuer or the general account of Digital Bonds Ltd would constitute a Realization Event under the Conditions of the Digital Bonds, triggering their automatic acceleration and enforcement of the Security by the Security Agent on behalf of itself and the Holders of the Digital Bonds. See "*Certain insolvency law considerations and limitations on the validity and enforceability of the Security*."

Digital Bonds Ltd was registered as a segregated accounts company ("**SAC**") under the Segregated Accounts Companies Act of Bermuda on 10 November 2023 and the Issuer was established as a segregated account of Digital Bonds Ltd with the designation "DB Series-11" on 26 January 2024. The Issuer's sole business purpose and activity is the entry into the Transaction Documents, the issuance of the Digital Bonds and the related purchase of the Underlying T-bills serving as collateral for the Digital Bonds. The Issuer earns minimal fees for the issuance, has no other assets or source of income out of which to make payments under the Digital Bonds and depends on funding from the Tokenizer to cover its operating costs and any exceptional expenses or liabilities. The Issuer's reserves to maintain its operations are limited, which may result in the inability of the Issuer to make payments to its service providers.

If the Issuer fails to make timely payment of amounts due to its service providers, they could resign or withhold performance, which could have a detrimental effect on the Issuer's ability to continue its operations or to service the Digital Bonds. Those service providers may not be able to defend or prosecute legal proceedings that may be brought against them or that they might otherwise bring to protect the interests of the Issuer. If the Tokenizer fails to provide funding, the Issuer may be required to make

payment of outstanding amounts due to its service providers out of the proceeds of the Collateral ahead of making payments to the Holders, resulting in Holders receiving less than the full amount payable under the Digital Bonds.

Legal Issues Related to the Issuer's status as a Segregated Account of a Bermuda Segregated Accounts Company

Digital Bonds Ltd is registered as a segregated accounts company pursuant to the SAC Act. The SAC Act permits a company registered thereunder to operate segregated accounts enjoying statutory divisions between accounts. The effect of such statutory division is to protect the assets of one account from the liabilities of other segregated accounts and the general account of the segregated accounts company. The SAC Act sets out rules governing the operation of segregated accounts by such registered companies. The most significant aspect of a segregated accounts company is that such a company is able to contract with a creditor or a shareholder so that the assets transferred by that person are held by the company in a segregated account solely in respect of the liabilities of that account and thus are insulated from any claims of the general creditors or the creditors of other segregated accounts. Though separate from all other segregated accounts and other activities of the company, the establishment of a segregated account does not create a legal person distinct from the segregated accounts company under Bermuda law.

The SAC Act enables a segregated accounts company to issue securities which track the performance of a particular account and to pay a dividend or distribution in respect of the securities linked to a segregated account and establishes solvency and liquidation requirements that must be met before any dividend or distribution is effected. In addition, the SAC Act contains provisions governing record keeping, the manner in which shares are issued and dividends distributed, accounting standards, the appointment of a receiver and winding-up of the company. As to the winding-up of a segregated accounts company, the SAC Act specifically directs the liquidator to observe the legal segregation of accounts and apply the assets as intended by the parties.

The SAC Act has been considered by the Bermuda courts and the principal statutory provisions thereof have been confirmed. However, it is possible that the SAC Act will not be recognised in some jurisdictions or will be construed in a manner which is contrary to the intent of the legislation. If any segregated account assets of the Issuer are located in a jurisdiction other than Bermuda and proceedings are brought in respect of them in that jurisdiction, it is not known how the courts of that jurisdiction would deal with the structure contemplated by the SAC Act, which may be unfamiliar to, and not contemplated by applicable corporate, tax, or other law in, such jurisdiction. More specifically, courts in jurisdictions other than Bermuda may not be prepared to accept that creditors in respect of a particular segregated account are prevented from gaining recourse to the assets of other segregated accounts, or that respective general creditors of the Issuer or Digital Bonds Ltd as a whole do not have recourse to those assets specifically designated as segregated account assets. Similarly, if a liability (e.g., fine or tax) is imposed by a Bermuda or other authority on the Issuer or Digital Bonds Ltd, it is unknown how the courts of Bermuda or other jurisdictions would impose or distribute that liability as among the respective general account and the various segregated accounts.

If the Bermuda Registrar of Companies removes Digital Bonds Ltd from the register of segregated accounts companies due to a material breach of provisions of the SAC Act, neither Digital Bonds Ltd nor the Issuer would be able to offer the existing structure (either directly or indirectly) in the manner contemplated herein. However, the SAC Act provides that the rights and obligations of Digital Bonds Ltd with respect to its segregated accounts and of any creditor shall be unaffected by the removal, and the powers of Digital Bonds Ltd with respect to its segregated accounts shall continue in respect of such accrued rights and obligations but solely for the discharge thereof.

Short Operating History and Limited Financial Information

Digital Bonds Ltd has only been in existence for a short period of time. As such, no significant "track-record" on its activity and/or performance can be provided. No historical financial information of Digital Bonds Ltd

is available in order to enable investors to evaluate its financial position. Likewise, the Issuer (as a segregated account of Digital Bonds Ltd) has a short operating history and has not yet produced any financial statements. No historical financial information is available in order to enable investors to evaluate the financial position or creditworthiness of the Issuer.

Operational Risk

There are several risks related to external and internal circumstances or events which may harm the operating business of the Issuer. The Issuer could suffer losses due to incorrect or insufficient controls, errors caused by humans or systems and/or legal risks, among others. In particular, the Issuer depends on reputable and reliable ledger systems, on which the Bond Smart Contract in the blockchain will operate. Should their service or operation among others be constrained or a disruption occurs, the Issuer may be unable to service the Digital Bonds (whether on or off-chain), including the identification of digital wallets to which Digital Bond Tokens and Bond Token Receipts are credited and the execution of any transfers or payments contemplated under the Conditions.

Market Risk

Market risk refers to the potential for losses arising due to changes in the valuation of the Issuer's assets and liabilities because of changes in market prices, volatilities, correlations and other valuation relevant factors. The Issuer's only assets are the cash and securities (including the Underlying T-bills) standing to the credit of the Collateral Accounts, any currency (fiat or crypto) standing to the credit of its accounts with Coinbase and in its digital wallet with Fireblocks, its interest in the fiat account of Digital Bonds Ltd with BCB and its rights under the agreements with its Service Providers. Should the value of the Collateral deteriorate, this could result in the Issuer receiving insufficient proceeds from the Collateral to enable it to make payment in full of any outstanding amounts due to its service providers and to the Holders under the Digital Bonds. Due to the limited recourse nature of the Digital Bonds, to the extent that such proceeds are insufficient, any obligations of the Issuer remaining unpaid following their distribution in accordance with the applicable priority of payments will be permanently extinguished, resulting in a loss to the Holders.

Dependence on Key Parties and Personnel

Each of the general account of Digital Bonds Ltd and the Issuer are dependent on PV01 in its exercise of a degree of decision-making control over the business of Digital Bonds Ltd and as the Arranger, as well as the principals and key personnel of PV01 (outsourced to it by PV01's Parent Company, HDL MF SA), including Maxime Boonen, Flavio Molendini and Jan Wipplinger. The success of Digital Bonds Ltd (and in turn the Issuer) may depend to a great extent on the services provided by PV01 and/or its principals and key personnel. There can be no assurance that Maxime Boonen, Flavio Molendini, Jan Wipplinger or any other principals or key personnel will continue to be associated with PV01 and/or its affiliates. Digital Bonds Ltd may be adversely affected if, because of illness, resignation, or other factors, the services of the relevant people were not available for any significant period of time.

Competition

There are several other issuers of digital assets offering characteristics similar to the Digital Bonds of the Issuer, and other competitors may enter the market at any time. The effect of new or additional competition on the Digital Bonds or their market prices cannot be predicted or quantified. Indirect competing Digital Bonds are offered by several exchanges such as Swarm Markets in the form of purchase of depository certificates, although these services do not allow the permissionless transferability of the purchased assets in the form of freely transferable tokens. Another indirect competition is in the form of purely synthetic asset tracking tokens. A third variant of competitors, allow accumulating fixed-income yields, for example Ondo Finance. Some of the competitors have significantly greater financial and legal resources than the Issuer and there is no guarantee that the Issuer will be able to compete successfully, or at all, with such competitors. This could result in decreased demand for the Digital Bonds and lower trading prices in the secondary markets. Moreover, increased competition may severely impact the profitability and creditworthiness of the Issuer, which could also decrease demand for the Digital Bonds.

Reputational Risk

The Issuer is exposed to reputational risk. Reputational risk refers to the risk that the reputation the Issuer has with its stakeholders (including regulators, quota holders, clients, investors, service providers and the general public) deteriorates and the trust in its brand value is negatively influenced. The Issuer's reputation may deteriorate due to cases in which stakeholders' perception of the Issuer differs negatively from the Issuer's actual conduct, performance and business practice. Negative sentiment relating to the Issuer's business practices can involve any aspect of its operations, but in crypto markets, often relates to topics of business ethics and integrity, regulations or quality of products and services.

Internal Control and Governance Risks

Personnel Interdependence / Conflicts of Interest

One of the directors of Digital Bonds Ltd operates also as a member of the Board of Directors of the Arranger and Tokenizer and as a board member of the Arranger and Tokenizer's parent company, HDL MF SA (Belgium). Furthermore, key personnel and directors of the Issuer, the Arranger and Tokenizer and/or the Tokenizer's parent may hold Digital Bonds, other financial instruments and digital assets on their personal names and accounts. These individuals are under no obligation to disclose their holdings, changes in the value of their holdings, or any trading activity in those holdings. These interests may deviate or conflict with interests of Holders of the Digital Bonds. Digital Bonds Ltd has entered into a contract with the Arranger to receive ongoing arranger services. The Issuer has entered into a contract with the Arranger and Tokenizer in order to receive arrangement and tokenization services. Thus, the Arranger and Tokenizer is contractually bound with each of Digital Bonds Ltd and the Issuer but at the same time also has a director in common with Digital Bonds Ltd who directs the management of Digital Bonds Ltd and the Issuer. Therefore, a potential conflict of interest may arise, in which situation the interests of the Arranger and Tokenizer may prevail and the activity of Digital Bonds Ltd and/or the Issuer may be detrimentally affected and/or the Holders may endure a loss of their investment.

Conflicts of interest which may arise among the Issuer, the directors of Digital Bonds Ltd, the Arranger and Tokenizer and their respective affiliates include, but are not necessarily limited to, the following:

Tokenization Services Fee PV01 exercises decision-making authority over Digital Bonds Ltd and the Issuer in its role as Arranger to Digital Bonds Ltd and as Arranger and Tokenizer to the Issuer. Accordingly, the Tokenization Services Fee that the Tokenizer will receive as consideration for those services has not been established on the basis of an arm's-length negotiation with the Issuer. However, PV01 believes that the Tokenization Services Fee being charged is reasonably comparable to the fee that would otherwise be charged to the Issuer by an independent third-party servicer.

Interested Director One of the directors of PV01 will serve as a director of Digital Bonds Ltd (and the Issuer) and in that capacity will be required to make decisions that such director considers to be in the best interests of the Issuer. In such capacity, there could be conflicts between such individual's duties as a principal of PV01 and such individual's duties as a Director of Digital Bonds Ltd.

Other Risks

Environmental and Social Risks

Depending on the specific technology, the applied technology of smart contracts on blockchains by the Issuer and the Tokenizer can be energy intensive systems and thus might be susceptible to existing and potential regulation and/or costs with the goal to limit energy consumption and might not be in line with the sustainability expectations in the market. Due to the increasing carbon emissions by mining of digital assets, concern has arisen in the context of its impact on the global sustainability goals. Thus, governments and other bodies may regulate and restrict blockchain technologies in this respect in the future. This could hinder or even make the usage of smart contracts for the verification of transactions in some jurisdictions

impossible. Therefore, to the extent the Issuer's and Tokenizer's activities use such energy intensive systems, demand for the Digital Bonds could decline or regulatory burdens may make the use of such energy intensive technologies unattractive, causing the Issuer and the Tokenizer either to restructure the Digital Bonds by substituting the energy intensive technologies with similar, but more energy efficient technologies, or to cease its operations.

Cybersecurity related Risks

The Digital Bonds are blockchain native securities which exist exclusively on chain and the Issuer therefore is susceptible to operational, information security and related "cyber" risks. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber incidents include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Cyberattacks may also be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make network services unavailable to intended users). Cybersecurity failures by, or breaches of, the systems have the ability to cause disruptions and impact business operations, potentially resulting in: financial losses, interference with the business activity, disclosure of confidential information, impediments to trading, submission of erroneous trades or erroneous subscription or redemption orders, the inability of the Issuer or its service providers to transact business, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs. The Holders may lose their investment as a direct or indirect consequence of such cybersecurity related risks.

None of the Issuer, the Arranger, the Tokenizer, the Security Agent or any other party shall be responsible for or have any liability in respect of the loss by a Holder of access to or control over the digital wallet in which such Holder holds Digital Bond Tokens or Bond Token Receipts due to loss of the private keys to such digital wallet address or otherwise, nor for any other loss by a Holder of Digital Bond Tokens or Bond Token Receipts held by it for any reason, whether due to hacking, theft, cyber-attack, technical issues with the DLT or otherwise.

Information Security Risks

As part of its business, the Issuer (or the Tokenizer on its behalf) processes, stores, and transmits large amounts of electronic information, including information relating to the transactions of the Issuer and personally identifiable information of the Holders. Similarly, service providers of the Issuer, including the Tokenizer, may process, store and transmit such information. The Issuer and the Tokenizer have procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorized access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Issuer or the Tokenizer may be susceptible to compromise, leading to a breach of the Issuer's or the Tokenizer's network. The Issuer's or the Tokenizer's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Breach of the Issuer's or the Tokenizer's information systems may cause information relating to the transactions of the Issuer and personally identifiable information of the Holders to be lost or improperly accessed, used, or disclosed.

If the Tokenizer or another service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Issuer and personally identifiable information of the Holders may be lost or improperly accessed, used, or disclosed.

The loss or improper access, use, or disclosure of the Issuer's proprietary information may cause the Issuer to suffer, among other things, financial loss, the disruption of its business, liability to third parties,

regulatory intervention, or reputational damage. Any of the foregoing events could have a material adverse effect on the Issuer.

Software related Risks

Blockchain-native securities and other digital assets may be susceptible to bugs and smart contract related risks, that might lead to Holders losing control over their assets. By nature, attacks on blockchain infrastructure can cause much more damage than for a centralized service, as the blockchain is an objective layer, and cannot be stopped or rolled back.

Risks relating to Third Parties

Tokenizer Risks

PV01 Capital Markets Ltd. ("**PV01**"), as the Tokenizer, is responsible for providing tokenization services in accordance with the Arrangement and Tokenization Services Agreement.

In particular, the Tokenizer, will be responsible for programming the Bond Smart Contract (which administers the Digital Bond Tokens), the Bond Token Vault Smart Contract (which administers the Bond Token Receipts) designing the Digital Bond Tokens and the Bond Token Receipts and overseeing their delivery, maintenance and cancellation via the Bond Smart Contract and the Bond Token Vault Smart Contract and managing all settlement processes for the Issuer. This includes executing transfers of USDC and USD to and from the digital wallet of the Issuer with Fireblocks and its digital wallet and fiat account with Coinbase. In connection with its fulfilment of such responsibilities, PV01 maintains control over the Issuer's digital wallet with Fireblocks, its wallet and accounts with Coinbase, as well as the Bond Smart Contract and the Bond Token Vault Smart Contract (subject to the Conditions), including:

- the ability to modify certain non-immutable variables in the Bond Smart Contract and the Bond Token Vault Smart Contract (to ensure their alignment with the Conditions);
- the ability to exercise certain Bond Smart Contract functions and Bond Token Vault Smart Contract functions on behalf of the Issuer (such as the minting, burning and pausing functions and the execution of the rollover function in the Bond Token Vault Smart Contract);
- the ability to prevent a Holder from effecting any transactions with respect to Digital Bond Tokens or the Bond Token Receipts by adding the digital wallet address of such Holder to the Digital Wallet Blacklist maintained by the Tokenizer; and
- the ability to prevent a Holder from interacting with the Bond Smart Contract or the Bond Token Vault Smart Contract by removing or refusing to add the digital wallet address of the Holder to the Digital Wallet Whitelist maintained by the Tokenizer.

PV01's control over the Issuer's digital wallets and accounts and the Bond Smart Contract and Bond Token Vault Smart Contract are subject to authentication via one or more private keys held by PV01 on behalf of the Issuer. Such private keys could become lost or stolen, or PV01 or its personnel could itself engage in malicious activity, which could result in the misappropriation of fiat or crypto currency or Digital Bond Tokens (and the rights to payment that they evidence) or Bond Token Receipts (and the rights to Digital Bond Tokens that they evidence) by PV01, such personnel or third parties.

Pursuant to the Conditions, the Tokenizer also has the authority to make a broad range of decisions, determinations and calculations and to exercise discretions on behalf of the Issuer and (following a Realization Event) the Security Agent. The Conditions provide that any reference therein to "a determination, discretion, information, communication, request, demand, authorization, direction, notice, calculation, consent, waiver, step or other action provided under these Conditions to be made, given, exercised or performed by the Issuer or (following the occurrence of a Realization Event, the Security Agent) shall be deemed to be a reference to the Issuer or the Security Agent (as applicable) or the Tokenizer on behalf of the Issuer or the Security Agent making, giving, exercising or performing the same". This

includes, for example, making determinations as to: (i) the method of settlement upon any early termination or early redemption of the Digital Bonds or upon their maturity; (ii) the method of distribution of the Net Realization Proceeds following any Realization Event; and (iii) whether any proposed modification to the Deed Poll (including the Conditions) or the Security Deed is materially prejudicial to the Holders. See "*Risks Relating to the Nature and Characteristics of the Digital Bonds - Modifications to the Terms and Conditions of the Digital Bonds and the other Transaction Documents may be made without the consent of the Holders*" below.

The Tokenizer is required to make all calculations, decisions and determinations and to perform any other actions under the Conditions acting in a commercially reasonable manner. Save in the case of manifest error or wilful misconduct on the part of the Tokenizer, such calculations, decisions and determinations and other actions taken by the Tokenizer will be final and binding on the Holders. In performing its role, the Tokenizer acts on behalf of the Issuer and not as agent for the Holders and therefore does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders.

In addition, in its capacities as Arranger and as Tokenizer, PV01 has undertaken to provide ongoing liquidity funding to the general account of Digital Bonds Ltd and to the Issuer in respect of the operating expenses of Digital Bonds Ltd and the fees, expenses and other amounts (including any indemnities) payable by the Issuer to its Service Providers in connection with the Digital Bonds. The Issuer and therefore, the Holders, are exposed to the credit and operational risks of PV01, which is not a bankruptcy-remote entity and which will undertake to provide the same liquidity funding to each other segregated account of Digital Bonds Ltd which issues digital bonds or other digital securities.

The Arrangement and Tokenization Services Agreement contains provisions requiring a suitably qualified replacement tokenization services provider to be appointed on substantially the same terms before any resignation or termination of the Tokenizer's appointment becomes effective. However, it is unlikely that a replacement tokenization services provider will be available which has the technical ability to perform the tokenization services and which is willing to agree to the same commercial terms as PV01. In particular, there is no provision within the priorities of payment under the Conditions of the Digital Bonds for reimbursement of the Tokenizer in respect of any fees and expenses which it has paid on behalf of the Issuer. There is therefore a risk that in the event of any resignation or termination of the Tokenizer's appointment, the Issuer will not be able to find a suitable replacement. In that event, the Issuer will have the right to effect an early termination of the Digital Bonds.

If the Security Agent becomes unable to take any action in connection with the enforcement of the Security due to a lack of clear instructions in the Holder Instructions, the Holder Instructions provide that the Security Agent will act in accordance with instructions given to it by the Tokenizer. Although this is designed to ensure that the enforcement process can proceed in cases where the Security Agent is not able to act, it gives the Tokenizer a substantial degree of discretion and control over the enforcement process and the Tokenizer is not obliged to give any instructions or to consult with or seek instructions from the Holders, nor does it act as an agent or representative of the Holders or owe any duties (fiduciary or other) to the Holders when giving any instructions to the Security Agent. The Tokenizer will not be obliged to give any such instructions or to seek further instructions from the Holders or the advice of counsel. Other than in the case of its own fraud or wilful misconduct, the Tokenizer will not be liable to the Holders for any losses suffered as a result of any instructions given by it or for any failure by the Tokenizer to give any instructions to the Security Agent in connection with the enforcement of the Security or the realization of the Collateral other than those instructions which are expressly contemplated to be given by it under the Conditions and the Security Deed.

Potential for Conflicts of Interest

Potential conflicts of interest may exist between the Tokenizer and the Holders, including with respect to certain determinations and judgements that the Tokenizer may make pursuant to the Conditions on behalf

of the Issuer (or, following the occurrence of a Realization Event, the Security Agent), such as the exercise by the Issuer of its rights to effect any early termination or early redemption of the Digital Bonds, to determine settlement methods and to give instructions to the Security Agent in connection with the enforcement of the Security and distribution of the Net Realization Proceeds). These decisions may influence the method and timing for making any payments and the amount receivable upon settlement of the Digital Bonds. In performing its role, the Tokenizer is not required to act in the interests of the Holders where these may conflict with its own interests or those of the Issuer. The Tokenizer also acts as Calculation Agent for the Issuer and in such capacity acts as agent for the Issuer and owes no obligation to the Holders. Pursuant to the Arrangement and Tokenization Services Agreement, the Issuer has also granted the Tokenizer extensive authority to operate the Issuer's fiat and crypto wallets and accounts and perform various other administrative actions on behalf of the Issuer.

The Tokenizer has undertaken in the Arrangement and Tokenization Services Agreement to exercise the authorities granted to it by the Issuer in good faith, solely for the purposes for which they have been granted and in accordance with the Deed Poll (including the Conditions), the Security Deed and the other Transaction Documents, all applicable legislative and regulatory requirements and the terms and conditions of its own DABA licence. Such requirements may not prevent the Tokenizer from taking actions or making decisions which are favourable to its own interests and/or contrary to the interests of the Issuer or Holders.

Dependence on Key Personnel

The Issuer is dependent on PV01 in its exercise of a degree of decision-making control over the business of Digital Bonds Ltd and as the Tokenizer, as well as the principals and key personnel of PV01 (outsourced to it by PV01's Parent Company, HDL MF SA), including Maxime Boonen, Flavio Molendini and Jan Wipplinger. The operations of the Issuer may depend to a great extent on the services provided by PV01 and/or its principals and key personnel. There can be no assurance that Maxime Boonen, Flavio Molendini, Jan Wipplinger or any other principals or key personnel will continue to be associated with PV01 and/or its affiliates. The Issuer may be adversely affected if, because of illness, resignation, or other factors, the services of the relevant people were not available for any significant period of time.

Short Operating History and Limited Financial Information of the Arranger and Tokenizer

PV01, the Arranger and Tokenizer, has only been in existence for a short period of time. As such, no significant "track-record" on its activity and/or performance can be provided. No historical financial information of PV01 is available in order to enable investors to evaluate its financial position or creditworthiness. Due to its short operating history, PV01 has not yet produced any financial statements. This implies the risk that the business activity of PV01 is not yet proven at the time of drafting this Offering Memorandum.

PV01 may not be able to operate its business, implement its growth strategy, or generate sufficient revenue to fund its own operations and to fulfil its undertakings to provide liquidity funding to the general account of Digital Bonds Ltd or to the Issuer, which could negatively impact the Issuer's operations. In the event of any insolvency or winding-up proceedings in respect of the general account of Digital Bonds Ltd, each segregated account of Digital Bonds Ltd, including the Issuer, would become part of such proceedings.

Counterparty Risks

The Issuer is dependent upon the performance and credit risk of the various service providers with whom the Issuer has contracted in connection with the issuance and management of the Digital Bonds throughout their life cycle.

The counterparties with whom the Issuer transacts, include, but are not limited to:

a. the Broker providing brokerage services to the Issuer in connection with the purchase by the Issuer of the Underlying T-bills, by (i) on issuance, receiving the USD issuance proceeds in the Issuer's

Cash Collateral Account, withdrawing such funds upon settlement of the purchase of the Underlying T-bills and delivering the Underlying T-bills to the Issuer's Securities Collateral Account; and (ii) on redemption of the Digital Bonds, receiving the redemption proceeds from the Underlying T-bills (and any other Collateral Securities) in the Issuer's Cash Collateral Account (or, in the case of an early redemption, selling the Underlying T-bills (and any other Collateral Securities) on behalf of the Issuer and transferring the proceeds to the Issuer's Cash Collateral Account);

b. the Custodian administering the Securities Collateral Account to which the Underlying T-Bills purchased by the Issuer are credited and holding any cash credited to the Cash Collateral Account on trust for the Issuer;
c. the On-Off Ramper providing "on- and off-ramping" services to the Issuer: (i) on issuance, where the USDC issuance proceeds are transferred from the Issuer's digital wallet with Fireblocks to its account with the On-Off Ramper, converted into fiat (USD), credited to the Issuer's fiat account with the On-Off Ramper before being transferred to the Issuer's Cash Collateral Account with the Custodian; and (ii) on redemption, where the USD proceeds from the Collateral are transferred from the Issuer's Cash Collateral Account with the Custodian to the Issuer's fiat account with the On-Off Ramper, converted into USDC and such USDC are credited to the Issuer's digital wallet with the On-Off Ramper before being transferred to the Bond Smart Contract;
d. each Digital Wallet Provider to the Issuer, administering the digital wallets in which the Issuer holds crypto currencies; and
e. the Tokenizer, providing tokenization services in accordance with the Arrangement and Tokenization Services Agreement and providing ongoing liquidity funding to the Issuer in respect of its operational expenses (see "*Tokenizer Risks*" above).

The Issuer is exposed to counterparty risk in relation to each of such parties, including, but not limited to, credit risk, liquidity risk, reputational risk and performance risk, arising from the potential failure of any of its counterparties to fulfil their respective payment and delivery obligations. If any such risk occurs, it may have material detrimental effects on the Issuer's business and financial position, its ability to service the Digital Bonds and its ability to meet its payment and other obligations under the Digital Bonds.

Should there be a material adverse change with any existing service provider and a suitable alternative is not available, it may become impossible for the Issuer to continue to service the Digital Bonds and the Issuer may determine to effect an early termination.

Risks relating to the Market

General Market Risks

Market Volatility

Market volatility refers to the risk that market prices of securities will rise or fall, sometimes rapidly or unpredictably. An investment in the Digital Bonds is subject to market risk, including the potential loss of the entire amount of the investment. Changes in interest, foreign exchange rates, and increases in volatility can increase credit and market risks and may also affect revenues of Holders. General movements in local and international markets and factors that affect the investment climate and investor sentiment could affect the level of trading and, therefore, the market price of the Digital Bonds. These risks are generally applicable to any investment in securities or instruments. Holders should be aware that Digital Bonds can go down and up in price and that there can be a partial or total loss of the invested amount.

Tracking Delays or Errors

At any time, the price at which Digital Bonds are traded on the secondary market may not reflect the accurate or "real-time" price of the Underlying T-bills. The 1-to-1 backing of the Digital Bonds, the matching economic terms of the Digital Bonds with the Underlying T-bills, the bankruptcy-remote status of the Issuer and the security granted by the Issuer over the Collateral are all intended to minimize this potential

difference or tracking error, making ownership of the Digital Bonds economically indistinguishable from ownership of the Underlying T-bills. However, the market price of Digital Bonds will also be a function of supply and demand amongst investors wishing to buy and sell Digital Bonds. It is not within the Issuer's control to ensure that the Digital Bonds trade continuously at a price which equates perfectly to the value of the relevant Underlying T-bills.

Interest Rate Risk

Interest rate risk is the risk that Underlying T-bills will decline in value because of a change in interest rates, which can be sudden and unpredictable. A variety of factors can cause interest rates or yields of treasury bills to rise (e.g., central bank monetary policies, inflation rates, general economic conditions). Signs of inflationary price movements may cause the fixed income securities markets to experience heightened levels of interest rate, volatility and liquidity risk. Rising interest rates may result in periods of volatility and a decline in value of the Issuer's holdings of treasury bills. If the Issuer determines to terminate or redeem the Digital Bonds at a time when the value of the Underlying T-bills has declined, the proceeds received by the Issuer upon liquidation of the Underlying T-bill may be substantially less than their face amount, resulting in the Early Termination Payment Amount or the Early Redemption Payment Amount payable to the Holders of the Digital Bonds being less than their nominal principal amount.

Market Trading Risk and Liquidity

There is currently no existing market for the Digital Bonds and, given that the Digital Bonds will not be listed for trading on any national securities exchange or through a national market system ("NMS") or similar non-U.S. exchange or system, and are not currently available for secondary trading in any venue, such as a public, decentralized or centralized, electronic exchange platform that is a national securities exchange, an alternative trading system ("**ATS**") operated by a registered broker-dealer and that is subject to ATS regulations, or a similar non-U.S. exchange or system, a market for the Digital Bonds may not develop and Holders may not be able to sell their Digital Bonds at all or easily or at prices that will provide them with a yield comparable to investments that have a developed secondary market. If an active trading market for the Digital Bonds does develop, it may not be maintained. The Digital Bonds are intended to be available and traded only the public Ethereum blockchain. There is no certainty that there will be liquidity available on Ethereum or on any other trading networks or that the market price of the Digital Bonds will be in line with the value of the Underlying T-bills at any given time. There is also no guarantee that once the Digital Bonds are available and traded on a blockchain that they will remain accessible and traded. Holders cannot rely on the opportunity to sell Digital Bonds at a specific price or time. In addition, the Issuer itself may have the right (but no obligation) to purchase Digital Bonds at any time and any price in the open market or by tender or private agreement, subject to applicable law; in this regard, please refer to the section under the heading "*Early Redemption of the Digital Bonds*" below. Holders do not have the right to redeem the Digital Bonds prior to the Maturity Date. As such, Holders should be prepared to hold the Digital Bonds until maturity.

There may not be any trading market for the Digital Bonds and many factors affect the trading and market value of the Digital Bonds, including restrictions on transferability. Upon issuance, the Digital Bonds will not have an established trading market. We cannot ensure that a trading market for the Digital Bonds will ever develop or be maintained if developed, or as to the liquidity or sustainability of any such market, the ability of Holders to sell their Digital Bonds or the price at which Holders will be able to sell their Digital Bonds. Even if an active trading market were to develop, the Digital Bonds could trade at prices that may be lower than the initial offering price. There may be a limited number of buyers or no buyers at all when Holders decide to sell the Digital Bonds. Consequently, investors may not be able to sell their Digital Bonds readily or at prices that will enable them to realize a yield comparable to that of similar instruments, if any, with a developed secondary market. This is particularly the case for structured debt instruments such as the Digital Bonds that are especially sensitive to interest rate, currency or other market risks, that are designed for specific investment objectives, or strategies or that have been structured to meet the investment requirements of limited categories of investors, which may have a more limited secondary market and less

or no liquidity and may experience more price volatility than conventional debt securities. Illiquidity may have a severe adverse effect on the market value of the Digital Bonds.

The secondary market for the Digital Bonds also will be affected by other factors independent of the creditworthiness of the Issuer. These factors may include time remaining to the maturity of the Digital Bonds, the outstanding amount of such Digital Bonds, the redemption features of the Digital Bonds, the amount of the Digital Bonds being sold in the secondary market from time to time, any legal restrictions limiting demand for the Digital Bonds, the availability of comparable securities, and the level, direction and volatility of market interest rates generally. Such factors will also affect the market value of the Digital Bonds.

The Digital Bonds will not be registered under the Securities Act or any state or non-U.S. securities laws, and the Issuer has no plans, and is under no obligation, to register the Digital Bonds under the Securities Act or any state or non-U.S. securities laws. As a result, the Digital Bonds are subject to certain transfer restrictions and can only be transferred to certain transferees as described herein under "*Sanctions, Transfer Restrictions and Eligibility Criteria*". The Digital Bonds may only be resold or transferred in a transaction not subject to registration under the Securities Act in reliance on Regulation S. As described herein, the Issuer may, in the future, impose additional restrictions to comply with changes in applicable law. Such restrictions on the transfer of the Digital Bonds may further limit their liquidity. In addition, holders of Digital Bonds will agree (or be deemed to agree) not to cause the filing of a petition in bankruptcy or a winding-up against the Issuer prior to the date that is one year (or, if longer, the applicable preference period then in effect) plus one day after the payment in full of all Digital Bonds.

None of the Issuer, the Arranger, the Tokenizer and/or their respective affiliates have any obligation to make a market with respect to the Digital Bonds and make no commitment to make a market in or repurchase the Digital Bonds. These factors may affect the price Holders receive for such Digital Bonds or the ability to sell such Digital Bonds at all.

Digital Bonds may not be readily saleable, the value of the Digital Bonds will fluctuate over time, and such fluctuations may be significant and could result in significant losses to a Holder. This is particularly the case for Holders whose circumstances may not permit them to hold the Digital Bonds until maturity.

Digital Bonds are subject to exchange rate and exchange control risks if the investor's currency is different from the Settlement Currency

Digital Bonds are denominated in USDC (the "**Settlement Currency**") but under certain circumstances may be payable in USD or, following a Depeg Event, in another USD-pegged stablecoin. For investors whose financial activities are denominated principally in a currency (the "**Investor's Currency**") other than the Settlement Currency (or other currency in which the Issuer determines to settle the Digital Bonds), an investment in the Digital Bonds entails significant risks that are not associated with a similar investment in a security denominated in that Investor's Currency.

Such risks include, without limitation, the possibility of significant changes in the rate of exchange between the Settlement Currency and the Investor's Currency and the possibility of the imposition or modification of exchange controls by the country of the Settlement Currency or the Investor's Currency. Such risks generally depend on economic and political events over which the Issuer has no control. Fluctuations in any particular exchange rate that have occurred in the past are not necessarily indicative, however, of fluctuations that may occur in the future. Depreciation of the Settlement Currency against the Investor's Currency would result in a decrease in the Investor's Currency equivalent yield on a Digital Bond denominated in that Settlement Currency, in the Investor's Currency equivalent value of the principal payable at maturity of such Digital Bond and generally in the Investor's Currency equivalent market value of such Digital Bond. An appreciation of the Settlement Currency against the Investor's Currency would have the opposite effect.

Stablecoins

Investors may subscribe for the Digital Bonds by delivering amounts of the U.S. dollar "stablecoin" USDC to the Issuer via the Bond Smart Contract. However, the Issuer will not settle the purchase of the Underlying T-bills until such "stablecoins" are converted by the Issuer into U.S. dollars. Until that time, the Issuer is exposed to the risks that such stablecoins pose. Stablecoins are digital assets designed to have a stable value over time as compared to typically volatile digital assets and are typically marketed as being pegged to a fiat currency, such as the U.S. dollar, whether algorithmically, or via their redeemability for such fiat currency, or a combination thereof. Stablecoins are a relatively new type of asset, and it is impossible to know all of the risks that they could pose to the Issuer. Some have argued that some stablecoins are improperly issued without sufficient backing, and even some of the most widely held stablecoins, such as USDC and Terra's UST coins, have seen their values either temporarily or permanently de-peg from their applicable fiat currency. Volatility in stablecoins, operational issues with stablecoins (for example, technical or liquidity issues that prevent settlement of redemption transactions, or technical flaws that cause algorithmic stablecoins to lose their peg to a fiat currency), concerns about the nature or sufficiency of any reserves that support stablecoins, regulatory concerns about the classification of stablecoins under applicable laws, rules or regulations, and/or regulatory concerns about stablecoin issuers or intermediaries, such as digital asset spot markets, that support stablecoins, could impact persons' willingness to trade on trading venues that rely on stablecoins.

Depeg Events

A "**Depeg Event**" refers to the depegging of the USDC stablecoin's value from the value of the U.S. dollar, such that the trading value of 1 USDC deviates significantly (upward or downward) from the value of 1 USD, whether as a result of technical problems such as smart contract bugs, hacking attacks and network congestion, general market conditions, micro and macro-economic factors such as changes in interest rates and inflation, liquidity issues or regulatory changes affecting Circle (the issuer of USDC) or as a result of contagion caused by the depegging of other USD-pegged stablecoins. In accordance with the Conditions, the Issuer may determine in its discretion that a Depeg Event has occurred or exists at a relevant time, which could result in the postponement of a payment otherwise due under the Digital Bonds, a substitution of another crypto (USD-pegged stablecoin) currency as the settlement currency under the Digital Bonds, or, if the Issuer determines that no such substitute USD-pegged stablecoin is available, the Issuer may nevertheless determine to settle the Digital Bonds in USDC. If the Issuer determines to settle the Digital Bonds in USDC, investors will be exposed to any difference in the amount of USDC which the Issuer receives upon conversion of the USD proceeds from the liquidation or redemption of the Collateral. Any decrease in such USDC proceeds will result in the Issuer paying a Depeg Settlement Amount which is less than (and may be substantially less than) the nominal principal amount of the Digital Bonds.

Other Factors affecting Market Value

DLT Fees The fact that the Digital Bonds are issued in the form of ERC-20 tokens, requires the ability to execute transactions on the Ethereum blockchain to subscribe for, purchase, sell or redeem the Digital Bonds. Transactions on the blockchain are subject to fees (sometimes referred to as "gas fees") paid to the blockchain validators, and these might increase significantly in times of market disruption or congestion. In such times, transactions in the Digital Bonds in values in the order of magnitude of the required fees may have an adverse impact on the total value obtained or paid by the investor. The issuer has no ability to control or predict future blockchain fees.

Risks relating to Tokenized Securities / Distributed Ledger Technology

Risks Associated with the Ethereum Protocol and other Blockchain Protocols

Any blockchain which will be used for the native issuance of securities, is or may be susceptible to mining attacks, including double-spend attacks, majority mining power attacks, selfish-mining attacks, and race condition attacks, as well as their equivalent in proof-of-stake systems, and other new forms of attacks

that may be created. Any successful attack presents a risk to the issuance of the securities and expected proper execution and sequencing of Ethereum (and other blockchains) contract computations in general. Mining attacks may also target other blockchain networks with which the used crypto protocol may interact, which may consequently impact the used digital token significantly. As such, any malfunction, breakdown, abandonment, unintended function or unexpected functioning of the Ethereum protocol, or any other blockchain protocol, may have a material adverse effect on the Issuer and/or the Digital Bonds.

Emerging Technology Risks

Since the Digital Bond Tokens and Bond Token Receipts will be transferred using emerging technologies, transactions in such Digital Bond Tokens and Bond Token Receipts will be subject to associated risks including:

- a rapidly evolving regulatory landscape, which might include security, privacy or other regulatory concerns that could require changes to digital systems that disrupt transactions in the Digital Bond Tokens;
- the possibility of undiscovered technical flaws or susceptibility to bugs, exploits, hacks, phishing schemes, fraud or other vulnerabilities in an underlying technology, including in the process by which transactions are recorded or by which the validity of a copy of such blockchain can be authenticated;
- the possibility that security measures that authenticate prior transactions could be compromised or hacked (including, without limitation, via a coordinated effort of malicious persons) which could allow an attacker or attackers to alter the blockchain and thereby disrupt the ability to corroborate definitive transactions recorded on the blockchain;
- the possibility that new technologies or services will inhibit access to the blockchain on which the Digital Bond Tokens and Bond Token Receipts are delivered;
- the possibility of breakdowns and transaction halts as a result of the above that could prevent transactions for a period of time; and
- the possibility that a digital "wall" application or interface is compromised or hacked by a third party, resulting in a loss of the holder's Digital Bond Tokens or Bond Token Receipts

General Risk of Digital Tokens

Digital assets, including the Digital Bond Tokens and the Bond Token Receipts, are created, issued, transmitted, and stored according to protocols run by computers that are not controlled by the Issuer, the Tokenizer or any of their respective affiliates. In addition, digital assets, including Digital Bond Tokens and the Bond Token Receipts, may be used in connection with blockchain-based applications that are not designed, developed, operated, maintained or controlled by the Issuer, the Tokenizer or any of their respective affiliates. It is possible these protocols or applications, or the digital assets themselves, including the Digital Bond Tokens and the Bond Token Receipts, may have undiscovered flaws or may be susceptible to bugs, exploits, hacks, phishing schemes, fraud or other vulnerabilities, which in each case could result in a loss of such digital assets, including the Digital Bond Tokens and the Bond Token Receipts. There may also be network scale attacks against these protocols or applications, or the digital assets themselves, including the Digital Bond Tokens and the Bond Token Receipts, which result in the loss of such digital assets, including the Digital Bond Tokens and the Bond Token Receipts. The Digital Bond Tokens and the Bond Token Receipts may be created, issued, or transmitted using experimental cryptography which could have underlying flaws or may be susceptible to bugs, exploits, hacks or other vulnerabilities. Advancements in quantum computing could break the cryptographic rules of protocols which support the Digital Bond Tokens and the Bond Token Receipts. None of the Issuer, the Arranger or the Tokenizer makes any guarantees about the reliability of the cryptography used to issue the Digital Bond Tokens or the Bond Token Receipts.

Digital Bond Tokens or Bond Token Receipts May Contain Errors, Bugs, Defects or Other Vulnerabilities

The Digital Bond Tokens and the Bond Token Receipts generally rely on and incorporate software that is highly technical and complex and depends on the ability of such software to store, retrieve, process, and manage immense amounts of data. This software has and may now or in the future contain errors, bugs, defects or other vulnerabilities. It is possible that the Issuer or the Tokenizer will not detect errors, bugs or other vulnerabilities in the Digital Bond Tokens or the Bond Token Receipts or the underlying technologies until after code has been released for external or internal use. Any errors, bugs, defects or other vulnerabilities discovered in the Digital Bond Tokens' or Bond Token Receipts' code after release may result in a negative experience for persons who use the Digital Bond Tokens or Bond Token Receipts. Any errors, bugs, defects or other vulnerabilities discovered in the Digital Bond Tokens or the Bond Token Receipts could result in significant declines in the value of the Digital Bonds.

Cybersecurity Risks Relating to Digital Bond Tokens and Bond Token Receipts

The Digital Bond Tokens, the Bond Token Receipts the blockchain on which the Digital Bond Tokens and the Bond Token Receipts are delivered, the blockchain-based applications with which the Digital Bond Tokens and the Bond Token Receipts may interact and the Tokenizer are each subject to various significant cybersecurity risks. The nature of cryptographic assets and blockchain technology may lead to an increased risk of fraud or cyberattack. Hackers or other malicious groups or organizations may attempt to interfere with the Digital Bond Tokens or the Bond Token Receipts, the blockchain on which the Digital Bond Tokens and the Bond Token Receipts are delivered, the blockchain-based applications with which the Digital Bond Tokens and the Bond Token Receipts may interact or the Tokenizer in a variety of ways, including, but not limited to, viruses, malware attacks, denial-of-service attacks, consensus-based attacks, Sybil attacks, smurfing, spoofing, social engineering, phishing emails, man-in-the-middle, phone hijacking, and ransomware.

The Digital Bond Tokens, the Bond Token Receipts, the blockchain on which the Digital Bond Tokens and the Bond Token Receipts are delivered or the blockchain-based applications with which the Digital Bond Tokens and the Bond Token Receipts may interact may be unavailable, interrupted, misappropriated or otherwise compromised in the event of a cyberattack or other malicious activity. Because attackers can use a variety of hardware and software that may interface with the Tokenizer and its operations, there is risk that the Digital Bond Tokens or the Bond Token Receipts may become unavailable or interrupted or irretrievably lost or stolen based on a failure of interoperability or an inability to integrate these third-party systems and devices that the Tokenizer does not control. The risks that the Digital Bond Tokens, the Bond Token Receipts, the blockchain on which the Digital Bond Tokens and the Bond Token Receipts are delivered and/or the blockchain-based applications with which the Digital Bond Tokens and the Bond Token Receipts may interact may face unavailability, interruptions, security vulnerabilities, misappropriation or other compromises could adversely affect the Tokenizer, the Digital Bond Tokens or the Bond Token Receipts and therefore the future utility of the Digital Bond Tokens or the Bond Token Receipts and the value of the Digital Bonds.

Although it is difficult to determine what, if any, harm may directly result from any specific attack, any failure to maintain performance, reliability, security, and availability of the Tokenizer, the Digital Bond Tokens, the Bond Token Vault or the Bond Token Receipts may harm the Issuer's reputation, its ability to retain existing users and attract new users, and in turn the value of the Digital Bonds.

Risk of Inflation Attacks on Token Vaults

When a user deposits assets into an ERC-4626 vault, the user receives shares. These shares represent the user's part of the vault and can be exchanged back for the original assets plus any gains. The number of shares a user gets for deposited assets depends on the vault's current exchange rate, which in turn depends on how much liquidity (or how many assets) the vault holds.

When a user deposits assets, the system calculates how many shares the user should receive. However, this number is rounded down to the nearest whole number. This rounding can sometimes result in losses, especially for small deposits. For example, depositing an amount that should earn the user less than one share means the user gets nothing back, essentially donating a deposit to the vault.

This feature renders token vaults susceptible to 'inflation attacks', whereby the attacker can exploit this by first making a small deposit to become a shareholder and then "donating" a large number of assets to the vault. This donation shifts the exchange rate drastically. When another user then makes a deposit, the skewed rate causes their deposit to convert to significantly fewer shares, potentially even zero, effectively transferring the value of their deposit to the attacker.

Risk of Blockchain Forks

A Fork is an event in which an interlinked chain of blocks (a blockchain) is, at a certain block onwards, followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obliviating all transactions recorded on the other possible chains. Forks are changes to the rules of the network protocol or other digital assets which often include major technical upgrades or changes needed to be made to the network. They typically originate from improvement proposals by the community and result in changes of the rules of the protocol. The rule changes may create a temporary split in the network. New blocks of digital assets could be produced according to the old rules or the new rules. Forks are usually agreed upon in advance to give owners the opportunity to adapt to changes concordantly. Consequently, the Fork including the upgrades becomes the main chain. However, in rare cases, disagreements over Forks can cause the network to permanently split. For the Ethereum network such a split occurred with the creation of Ethereum Classic ("**ETC**") in the Decentralized Autonomous Organization ("**DAO**") Fork in 2016. The DAO Fork was a response to the 2016 DAO attack where an insecure DAO contract was drained of over 3.6 million Ethereum in a hack. As a result, the Ethereum community voted on the planned Fork. The implemented Fork moved the funds from the faulty contract to a new Ethereum contract by withdrawing them. A group of miners however refused to fork and continued to use the original Ethereum blockchain due to immutability concerns. They continued to form ETC.

The Fork risk for externally backed digital assets (including securities such as the Digital Bonds represented by Digital Bond Tokens) is much more severe compared to native tokens such as Ether ("**ETH**"). In case a user holds ETH tokens and the network splits, they can hold both ends of the fork. However, for externally backed securities, a choice must be made which chain represents the claim over the digital assets (and therefore the underlying asset). In the event of a Fork in the blockchain used by the Issuer for the Digital Bonds, the Issuer, in its sole discretion, will determine i. whether to participate in the Fork; and ii. which of the Fork's two resulting chains would be recognized for the purpose of identifying the digital wallet addresses to which the Digital Bond Tokens and the Bond Token Receipts are credited from time to time. Generally, the chain selected by the Issuer will be the chain recognized as the authoritative chain by Circle as the issuer of USDC.

The use of a distributed ledger technology to issue and settle transfers and payments in securities is largely untested and may contain inherent flaws and limitations

The deployment of distributed ledger technology (such as blockchain networks) in the debt capital markets is nascent and rapidly changing. As a result, the capabilities of the technology are not yet proven and remain largely untested in financial markets. The use of blockchain technology in the context of an issuance of securities such as the Digital Bonds is still at an early development stage. The process for creating, issuing and transferring the Digital Bonds on a blockchain network may not perform as well as in the existing clearing systems operated by central securities depositories (such as Euroclear Bank SA/NV or Clearstream Banking S.A.) and the Platform may not perform the full range of functions available in such clearing systems.

If there is a negative trend in respect of market acceptance of securities held or recorded using distributed ledger technology, this could have a material adverse effect on the price of the Digital Bonds in any secondary market (if any) which develops. If investments in the blockchain industry or use of blockchain-based assets become less attractive to the market, or if blockchain networks and assets do not gain acceptance, there could be an adverse impact on the liquidity and pricing of the Digital Bonds in the secondary market.

Legality of Digital Assets

It may be illegal, now or in the future, to own, hold, sell, or use certain blockchain-based digital assets, such as the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts, in one or more jurisdictions. Although currently digital assets are not regulated or are lightly regulated in many jurisdictions, one or more jurisdictions may take regulatory actions in the future that severely restrict the right to acquire, own, hold, sell, or use certain digital assets, such as the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts. Such an action may restrict Holders' ability to hold or utilize the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts and could result in early termination of the Digital Bonds by the Issuer at a time that is disadvantageous to Holders.

Regulatory Risks related to Digital Assets and Blockchains

Blockchain technologies and cryptographic tokens have been and will be the subject of intense scrutiny by various regulatory bodies around the world. The functioning of the Ethereum network, associated blockchain networks and tokens may be adversely impacted by regulatory actions, including restrictions or prohibitions on their use, purchase, or possession. For example, some jurisdictions regulate providers of prepaid access or money transmission services who create a medium of exchange or a method by which value is transferred from one to another person or location. The implications of triggering such requirements may include registration with a state or national agency or enforcement authority and implementing an anti-money laundering ("AML")/know-your-customer compliance program that meets the specific standards, including transaction monitoring, designation of compliance personnel, employee training, and periodic auditing and testing of such jurisdiction. Moreover, there may be various compliance obligations, including the need for a license, meeting minimum net-worth requirements, bonding, biographical and financial approval of officers and directors, and other ongoing compliance, such as examination and reporting obligations. It is possible that certain jurisdictions will apply existing regulations on or introduce new regulations addressing blockchain technologies-based applications, which may be contrary to the current setup of smart contracts or the issuance of blockchain native securities and which may, *inter alia*, result in substantial modifications of smart contracts and/or the issuance of blockchain native securities, including its termination and the loss of the investment for the Holders.

The Issuer or the Tokenizer could be impacted by one or more regulatory inquiries or regulatory action which could impede or limit their ability to continue to operate. Further, the issuance of tokenized securities and/or the Issuer may be subject to unexpected tax burdens. Any such regulatory changes could lead to the Issuer determining to exercise its right to effect an early termination of the Digital Bonds.

Current and Future Legislation, Regulation and Enforcement

Current and future legislation, rulemaking and other regulatory developments, including, without limitation, (i) U.S. federal, U.S. state and non-U.S. jurisdictions' securities laws, rules and regulations and (ii) U.S. federal anti-money laundering and counter-financing of terrorism laws, rules and regulations, U.S. state money transmitter regulations and similar regulations such as the New York "BitLicense" (23 NYCRR Part 200 under the New York Financial Services Law) and non-U.S. jurisdictions' anti-money laundering, counter-financing of terrorism and money transmitter laws, rules and regulations, as well as developments in the enforcement of current and future U.S. federal, U.S. state and non-U.S. jurisdictions' laws, rules or regulations, may impact the manner in which the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts are regulated or otherwise treated. The Issuer cannot be certain as to how future legislative,

regulatory or enforcement developments will impact the treatment of the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts under applicable laws.

To the extent that Digital Bonds, Digital Bond Tokens or Bond Token Receipts are deemed to fall within the scope of (i) U.S. state money transmitter regulation or regulation by any similar U.S. state or non-U.S. governmental authorities (including, without limitation, by the State of New York under its "BitLicense" regime), (ii) subsequent legislation or subsequent rulemaking by U.S. state money transmitter regulators or such other governmental authorities, or (iii) novel enforcement of existing laws, rules or regulations by U.S. state money transmitter regulators or such other governmental authorities, the Issuer may be required to register with, be licensed by and/or comply with additional regulation under applicable U.S. state or non-U.S. laws, rules or regulations – even if the holders of such Digital Bonds, Digital Bond Tokens or Bond Token Receipts are not U.S. persons or are outside of the United States. Moreover, the Issuer or the Tokenizer may be subject to further requirements with U.S. state money transmitter regulators or other governmental authorities. Such additional registrations, licenses, regulations or disclosures may result in extraordinary, non-recurring expenses of the Issuer or the Tokenizer. If the Issuer determines not to comply with such additional requirements, the Issuer may determine to effect an early termination of the Digital Bonds at a time that may be disadvantageous to the Holders.

Digital assets currently face an uncertain regulatory landscape in not only the United States and its states but also in many non-U.S. jurisdictions, including but not limited to the European Union and its member states, the United Kingdom, China, and Russia. Various non-U.S. jurisdictions may, in the near future, adopt laws, rules, regulations or directives that affect the Digital Bonds, the Digital Bond Tokens, the Bond Token Receipts, their networks and their users, particularly digital asset service providers that fall within such jurisdictions' regulatory scope.

Potential for Market Abuse

The markets for digital assets are local, national and/or international, increasingly growing and including a broad range of digital assets and participants. In this environment, significant trading may occur on systems and platforms with minimum predictability. In general, the characteristics of digital assets could be used by certain market participants to exploit arbitrage opportunities through schemes like front running, miner extracted value, spoofing, pump-and-dump and fraud across different systems, platforms or geographic locations. Due to the reduced oversight of authorities, these kinds of illicit schemes may be more widespread in the crypto market than in the general market for financial digital assets. A result of any market abuse could be the loss of investors' confidence in the Digital Bonds and therefore, may adversely impact an investment in the Digital Bonds or the Issuer's ability to operate.

Because there is a lack of a central regulatory authority and structure and due to the global nature of digital assets and blockchain technologies, the Holders may have no legal remedies or recourse against the Issuer, other users, holders, purchasers or sellers of tokenized securities or digital assets, and any other person or entity that may interfere with the Issuer, the Digital Bonds or the Holder's digital wallet.

Technical Risks relating to Blockchains

There are several technical risks to which the holders of digital assets are exposed, including, but not limited to, flaws in the code, the event in which an interlinked chain of blocks (a blockchain) is, at a certain block onwards, followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obliviating all transactions recorded on the other possible chains ("Forks") of the underlying protocols, double spending and 51% attacks. These and various other risks must be considered by Holders and are not unlikely to occur over time.

Ethereum ("**ETH**") and other blockchains assets are mostly built on open source code which is available to the public, and developed in a shared way. Therefore, the underlying source code of these digital assets is visible publicly to anyone, and anyone can suggest changes to the code. It is possible that flaws or mistakes

in the released and public source code could lead to severe damage to the blockchain technology, digital assets and networks. Furthermore, it is possible that a group of highly skilled contributors or other technical groups may attack the code, which may directly lead to severe damage. In any of these technical vulnerabilities, the value of Holders' stakes can be severely and detrimentally affected.

In 2022, the Ethereum blockchain underwent a series of upgrades, most notably the gradual move from a Proof of Work ("**PoW**") consensus mechanism to a Proof of Stake ("**PoS**") mechanism, which was accomplished by merging with Beacon Chain, a PoS-based blockchain. This might significantly alter the way the blockchain operates, both in terms of the way new blocks are mined, how consensus is reached, the transaction throughput of the blockchain, the incentive mechanism of including transactions in a block, and many more changes. Some of these changes may impact existing smart contracts and create uncertainty as to the behaviour of software deployed on the blockchain or interacting with it.

Mining of digital assets is a distributed consensus system which is used to confirm pending transactions. The result of the agreement will be displayed and included on the public ledger, the blockchain. The crypto miners can earn digital assets by confirmation of the transactions and reaching consensus in that matter. In case a group of miners acting in concert controls temporarily a majority of the network mining power (also called hash power) of a respective blockchain network, they can use this control to undertake harmful actions, so-called 51% attacks. In such cases the attackers could prevent new transactions from being confirmed, allowing them to halt payments between certain or all users. They could also reverse transactions in the process of completion and thus in the control of the network, with the consequence that they could double spend coins. The attackers could allow their coins to be spent on multiple occasions as they control the network's confirmation process including, but not limited to, sending two conflicting transactions to the network while creating one transaction but already sending the digital assets before release of the associated block on the blockchain, which would invalidate it. Theoretically, the execution of attacks is more likely to appear to blockchains with a smaller mining power or market capitalization since the necessary computing power threshold to control a majority of the network will be reached more easily. However, there have also been reports of attacks against the ETC network in the past, which illustrates that networks with higher market capitalization can also be a target to such attacks. The distribution and/or performance of the Digital Bonds may be negatively affected by such or similar technical risks relating to blockchains as described above and thus may negatively impact Holders.

Risk of Loss of Private Key

The Digital Bond Tokens and the Bond Token Receipts must be stored in a digital wallet by the Holder or Receiptholder. A digital wallet has a public key address which is associated with the wallet owner's corresponding private key(s). The wallet can only be accessed with the private key(s) (a password selected by the Holder). Each Holder and each Receiptholder is responsible for safeguarding access to and control over its private key(s) and keeping its private key(s) secret, such that no person that is not authorized by the Holder can ever use such private key(s).

Because a private key, or a combination of private keys, is necessary to control and dispose of the Digital Bond Tokens or Bond Token Receipts stored in a digital wallet, the loss of one or more of the private keys associated with a digital wallet storing the Digital Bond Tokens or Bond Token Receipts, or the loss of access to or control over any such private keys, will result in the loss of such Holder's or Receiptholder's Digital Bond Tokens or Bond Token Receipts. Moreover, any third party that gains access to one or more of a Holder's private keys, including by gaining access to login credentials of a hosted wallet service that is used to store any of the Holder's or Receiptholder's Digital Bond Tokens or Bond Token Receipts, may be able to misappropriate Digital Bond Tokens or Bond Token Receipts. If a Holder or Receiptholder does not maintain an accurate record of the password or loses its wallet file, this will lead to the total loss of the Digital Bond Tokens or Bond Token Receipts and thus its ability to exercise its rights under the Digital Bonds or Bond Token Receipts, since ownership of the Digital Bonds (and therefore the right to receive any payments under the Digital Bonds) and of the Bond Token Receipts is determined solely by possession of the Digital Bond Tokens or the Bond Token Receipts (as defined in the Conditions).

If a private key or credentials for accessing those private keys are lost, stolen, destroyed or otherwise compromised and no backup of the private key is accessible, the Holder or Receiptholder will not be able to access the Digital Bond Tokens or the Bond Token Receipts associated with the corresponding address, which are required in order for the Holder to claim any payments under the Digital Bonds or for the Receiptholder to retrieve the Digital Bond Tokens and no one - not the token network, the Issuer or the Tokenizer - will be capable of restoring the private key. Any loss of private keys relating to digital wallets used to store Digital Bond Tokens or Bond Token Receipts could cause an irreversible loss of such Digital Bond Tokens or Bond Token Receipts, potentially resulting in a total loss of the Holder's or Receiptholder's investment. This risk is compounded for a Receiptholder which has held Bond Token Receipts for a period of time during which one or more Rollovers have taken place (in which circumstances a loss of control over such Bond Token Receipts could result in a loss to the Receiptholder of the value of its initial investment plus the value of the compounded yield earned in respect of the Digital Bonds held by such Receiptholder over that entire period of time).

None of the Issuer, the Arranger, the Tokenizer, the Security Agent or any other party shall be responsible for or have any liability in respect of the loss by a Holder or Receiptholder of access to or control over the digital wallet in which such Holder or Receiptholder holds Digital Bond Tokens or Bond Token Receipts due to loss of the private keys to such digital wallet address or otherwise. In the event of such a loss, Holders or Receiptholders may follow the procedures outlined in Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*), but there is no guarantee that the Issuer will be able to verify the loss or theft, to locate the Digital Bond Tokens or Bond Token Receipts, to confirm that no other person may make a claim for payment in respect of such Digital Bond Tokens or Bond Token Receipts and, even if the Issuer is able to do so, any decision to make payment or to deliver replacement Digital Bond Tokens or Bond Token Receipts to the Holder or Receiptholder is entirely at the Issuer's discretion.

It is each Holder's and each Receiptholder's sole responsibility to store and protect its private key and wallet, accordingly. The Issuer, the Tokenizer, and their respective affiliates will never ask Holders or Receiptholders for any of their private keys or any credentials relating to Holders' or Receiptholders' digital wallets, and Holders and Receiptholders should never share them with anyone they do not know and fully trust.

The Issuer does not offer custody accounts, digital wallets or other services to hold Digital Bond Tokens, Bond Token Receipts or other assets for or on behalf of investors whether for trading or storage purposes or otherwise. The Issuer encourages the use of hardware wallets or semi-hosted wallets with a reliable provider as the preferred method of storage for crypto assets.

Hacking and Theft Risk

The crypto network, smart contracts, associated websites, the applied software applications and software platforms of the blockchain may be exposed to attacks by hackers or other individuals that could result in theft or loss of tokens or other (financial) support for the crypto network in use. This may affect the Holders' or Receiptholder's investment up to a total loss. None of the Issuer, the Arranger, the Tokenizer, the Security Agent or any other party shall be responsible for or have any liability in respect of the loss by a Holder of access to or control over the digital wallet in which such Holder or Receiptholder holds Digital Bond Tokens or Bond Token Receipts due to loss, unauthorised use or theft of the private keys to such digital wallet address or otherwise, nor for any other loss by a Holder or Receiptholder of Digital Bond Tokens or Bond Token Receipts held by it for any reason, whether due to hacking, theft, cyber-attack, technical issues with the DLT or otherwise. Furthermore, hacks and other attacks may impact the Issuer's ability to service the Digital Bonds.

Cease in Expansion of Processing Power

If the aggregate revenue from transaction fees and the block reward is below a miner's cost, miners may terminate operations. Additionally, in the event of a Fork of the relevant crypto network, some miners may

choose to mine the alternative new digital asset resulting from the Fork, thus reducing processing power on the original blockchain. An acute cessation of mining operations would reduce the collective processing power on the blockchain, which would adversely affect the transaction verification process by temporarily decreasing the speed at which blocks are added to the blockchain and make the blockchain more vulnerable to attackers obtaining control of more than 50% of the processing power on the blockchain. Reductions in processing power could result in material, though temporary, delays in transaction confirmation time. Any reduction in confidence in the transaction verification process or mining processing power may adversely impact the value of an investment in the Digital Bonds or the ability of the Issuer to service them (including its ability to make timely payments in accordance with the Conditions of the Digital Bonds).

Risks relating to the Digital Bonds

Risks relating to the Nature and Characteristics of the Digital Bonds

Structured Finance Obligations

An investment in structured finance obligations such as the Digital Bonds entails risks (which may be significant) not associated with an investment in a conventional debt security. Such risks may include, that the resulting interest rate or yield may be less than that payable on a conventional debt security issued at the same time, that the repayment of principal may occur at times other than that expected by the investor, or that the repayment of principal may be less than the nominal amount of the Digital Bonds (whether payable at maturity, upon redemption or otherwise).

Limited Recourse

Condition 40) (*Limited Recourse*) of the Digital Bonds provides that the liability of the Issuer in respect of the Digital Bonds from time to time and at any time shall be limited to the amounts received by the Issuer in respect of the Collateral. In the event that such amounts received by the Issuer are insufficient to satisfy all claims of Holders in respect of the Digital Bonds (whether due to fraud, theft, cyberattacks or any failure of the Issuer to receive payment in full in respect of the Collateral or to liquidate the Collateral at prices enabling the Issuer to fully perform its obligations under the Digital Bonds or for any other reason) the obligations of the Issuer under the Digital Bonds will be reduced accordingly, and any remaining claims of Holders against the Issuer in respect of the Digital Bonds will be permanently extinguished.

Risks relating to Asset-backed Digital Bonds

Investors should be aware that the market value of the Digital Bonds may not have a direct relationship with the prevailing market price of the Underlying T-bills. Changes in the prevailing price of the Underlying T-bills will not necessarily result in a comparable change in the market value of the Digital Bonds (including the Digital Bond Tokens or the Bond Token Receipts). Therefore, investing in the Digital Bonds does not correspond to a direct investment in the Underlying T-bill itself. In particular, the performance of the Digital Bonds may differ significantly from returns on direct holdings of Underlying T-bills because of the negative effect of the transaction fees, custody fees and other fees due to providers of services in relation to the Digital Bonds, the cost of liquidating the Underlying T-bills (including any spread between the price at which the Broker is able to sell the Underlying T-bills on the open market and the price at which the Broker is willing to purchase the T-bills from the Issuer) and additionally to the negative effect of any other risk described herein. Consequently, the return on Digital Bonds will not necessarily reflect the potential return of actual ownership of the Underlying T-bills being held for a similar period.

Early Redemption or Early Termination of the Digital Bonds

The Digital Bonds are subject to early termination and redemption at the sole discretion of the Issuer upon the occurrence of certain events ("**Termination Events**") in accordance with Condition 12)b) (*Redemption – Early Termination – Issuer Call*), or as a result of certain tax-related events ("**Tax Events**"), such as changes in tax laws affecting the Issuer in accordance with Condition 12)c) (*Redemption – Early Redemption – Tax Event*). In the event of an early termination or early redemption in accordance with

these provisions, there can be no assurance that available funds would permit the Issuer to redeem the Digital Bonds in full at their Early Redemption Amount or Early Termination Amount out of the net proceeds of liquidation of the Collateral (after payment of the expenses of such liquidation, including any spread between the price at which the Broker is able to sell the Underlying T-bills (and any other Collateral Securities) on the open market and the price at which the Broker is willing to purchase the T-bills from the Issuer). In addition, an early termination or early redemption of the Digital Bonds could require the Issuer to liquidate the Underlying T-bills (and any other Collateral Securities) more rapidly than might otherwise be desirable, which could adversely affect the realized value of the Underlying T-bills (and any such other Collateral Securities) sold.

This optional redemption feature may also affect the market value of the Digital Bonds. During any period in which there is a perceived risk that the Digital Bonds are subject to redemption at the option of the Issuer, their market value may be affected and generally will not rise substantially above the redemption price because of the increased likelihood of redemption by the Issuer, and this also may be true prior to any such period.

The Automatic Rollover Subscription Option may also be terminated upon the occurrence of an Automatic Rollover Termination Event (as defined in Condition 14)a) (*Termination of Automatic Rollover Subscription Option – Automatic Termination*) or an Issuer Rollover Termination Event (as defined in Condition 14)b) (*Termination of Automatic Rollover Subscription Option – Termination by Issuer*), which events include any Early Termination or Early Redemption of the Digital Bonds of the Vault Series or a determination by the Subsequent Issuer not to issue Rollover Bonds on the Maturity Date of the Vault Series. Upon any such termination of the Automatic Rollover Subscription Option, the Tokenizer will not effect a Rollover of the Digital Bond Tokens in the Bond Token Vault on the Maturity Date and Holders will be required to withdraw all Digital Bond Tokens from the Bond Token Vault in order to submit a payment claim in respect of the Digital Bonds represented thereby. In such circumstances, there may not be a new issuance in which the Holders may reinvest the redemption proceeds, which, for Holders who have held Bond Token Receipts for an extended period (during which one or more Rollovers have taken place), may be significantly higher in value than their initial investment.

Holders of Digital Bonds that are terminated or redeemed early or in respect of which the Automatic Rollover Subscription Option has been terminated may not be able to reinvest the redemption proceeds of such Digital Bonds in other assets (digital or traditional) at an effective yield which is as high as the effective yield on the Digital Bonds and such reinvestment might only be at a significantly lower effective yield. An investor may not be able to reinvest redemption proceeds in assets having a comparable maturity or denominated in the same currency.

An early termination or redemption may also result in a shorter investment than a Holder of the Digital Bonds may have anticipated. Investors should consider the related reinvestment risk in light of other investments that may be available.

Lack of Capital Protection

The Digital Bonds do not provide any capital protection of any amount payable under the Digital Bonds. This causes a risk for Holders of the Digital Bonds since part of or the entire invested amount may be lost due to the market risk associated with the exposure of Digital Bonds. This means the terms do not provide for any level of protected capital and the Holders will sustain the full loss corresponding to any losses incurred by the Issuer in respect of the Collateral. Depending on the performance of the Collateral (including the Underlying T-bills), Holders may sustain a loss up to their entire investment.

The Digital Bonds will be obligations of the Issuer. No other company or entity will be responsible for payments under the Digital Bonds

The Digital Bonds are the sole obligations of the Issuer and will not be guaranteed by any other party. No other entity or company will be responsible for payments under the Digital Bonds or liable to holders of the

Digital Bonds in the event the Issuer is unable to make payment in full of amounts due under the Digital Bonds.

Any investment in the Digital Bonds does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

No FDIC, SIPC or Similar Protection. The Digital Bonds are not deposit liabilities of the Issuer and are not covered by any government deposit protection or compensation scheme in the United Kingdom, Bermuda or any other jurisdiction. The Issuer is not a banking institution or otherwise a member of the Federal Deposit Insurance Corporation ("**FDIC**"), the Securities Investor Protection Corporation ("**SIPC**") or any similar body in Bermuda, the United Kingdom or any other jurisdiction and, therefore payment rights of the Holders under the Digital Bonds are not subject to FCIC or SIPC protections or any similar protections anywhere outside of the United States. Holders of the Digital Bonds therefore do not have the protections enjoyed by depositors with FDIC, SIPC member institutions or similar non-U.S. bodies. While private insurance may be available at times, the payment rights of the Holders under the Digital Bonds are not otherwise insured.

Passive Investment Risk

The Digital Bonds are not actively managed and may be affected by a general decline in market segments related to the Underlying T-bills. Neither the Issuer nor any other party will actively manage the Underlying T-bills or any other assets of the Issuer held as Collateral. Consequently, the Issuer will not take any action to reduce the risk of loss resulting from decreases in the value of the Collateral.

Modifications to the Terms and Conditions of the Digital Bonds and the other Transaction Documents may be made without the consent of the Holders

Condition 45) (*Modifications; Updating of Documents*) of the Digital Bonds provides that the Issuer may make, at any time and without the consent of the Holders, any modification to the Conditions of the Digital Bonds, the Deed Poll and/or the Security Deed for the purpose of correcting a manifest error, clarifying any uncertainty, or correcting or supplementing the provisions in such a manner as the Issuer may in its discretion deem necessary or desirable, provided that, in the Issuer's sole opinion, acting in a commercially reasonable manner, such changes are not materially prejudicial to the interests of the Holders, or where the Issuer has determined that any such amendment is necessitated as a consequence of changes in law, including, without limitation legislation and/or regulation, a judicial determination or judgment or a decision or rule of any regulatory authority, in each case applicable to the Issuer, any Service Provider, the Digital Bonds and/or the Holders. The Conditions also provide that the Issuer may, subject to certain conditions but without the consent of the Holders, agree to the substitution of another entity as principal debtor under the Digital Bonds in place of the Issuer.

The Issuer is not required to consider the interests of individual Holders when making any determination as to whether any proposed changes are prejudicial but will consider the interests of the Holders taken as a whole. As a result, actions may be taken with respect to the Digital Bonds with which some Holders of such Digital Bonds may not agree, or which may be materially prejudicial to their interests. Holders will have no recourse to the Issuer in respect of the consequences of any such modifications on individual Holders.

Any such modifications will be binding on the Holders and will be notified, without unreasonable delay, to the Holders by way of a notice in accordance with Condition 39) (*Notices*) including revised versions of the relevant documents, including comparisons showing the changes made and a new hash and URL will be added to the Bond Smart Contract linking to a web page where the amended documents can be found.

These provisions effectively permit the Issuer to independently make changes which are binding on all Holders without consideration or approval of the Security Agent and without consulting with the Holders or providing the Holders an opportunity to attend a meeting to consider and vote upon any such modifications.

On a traditional bond, such changes would normally be permitted to be made by an issuer only with the consent of a note trustee vested with the discretion to determine whether any such change is materially prejudicial or with the consent of the holders themselves. The Security Agent does not act as a representative of the interests of the Holders of the Digital Bonds and the Security Agent is required in accordance with the Holder Instructions (subject to certain limitations) to consent to any amendments proposed by the Issuer and will have no liability to the Holders for so doing. The Security Agent will not make any determination as to the consequences of any such amendments and whether they may be materially prejudicial to the interests of the Holders. Furthermore, the Conditions do not include provisions for consultation with the Holders, whether by the Issuer or the Security Agent, nor do they include provisions for calling meetings of the Holders to consider matters affecting their interests.

To the extent that the Issuer determines in its sole opinion that a proposed amendment may be considered materially prejudicial to the interests of the Holders, the Issuer may determine to exercise its right, in accordance with Condition 12)b) (*Redemption - Early Termination – Issuer Call*) to effect an Early Termination of the Digital Bonds.

No Holder Representation

Other than the Security Agent, there is no agent or representative of the interests of the Holders of the Digital Bonds. The role of the Security Agent is limited to taking steps to enforce the Security and distribute the Net Realization Proceeds to the Holders and to take the other steps expressly included in the Holder Instructions.

The Conditions make no provision for meetings of the Holders or any other method for the consideration or passing of resolutions of the Holders of the Digital Bonds and contain no procedures for the Issuer or the Security Agent to consult with the Holders of the Digital Bonds in respect of any matters affecting their interests, including, without limitation, the making of any changes to the Conditions of the Digital Bonds or the Available Documents not falling within the Issuer's discretion under Condition 45) (*Modifications; Updating of Documents*), waivers of any breaches of the Conditions, or the giving of instructions to the Security Agent with regard to the enforcement of the Security which are different from or not included in the Holder Instructions.

Upon the occurrence of a Realization Event in respect of the Digital Bonds, the rights of the Holders under the Conditions of the Digital Bonds and the Security Deed in respect of the Collateral (including enforcement of the Security) are exercised by the Security Agent (acting on its own behalf and as agent for the Holders) in accordance with the Holder Instructions. The Holders do not have the right or the ability to take any steps to directly enforce the Security or to modify the Holder Instructions.

Therefore, no steps are required or permitted to be taken by the Holders in respect of the exercise of their rights under the Digital Bonds upon the occurrence of a Realization Event and in relation to the enforcement of the Security. Holders will be informed of the status of any enforcement of the Security and liquidation of the Collateral via notices posted on the Pivio Platform by the Tokenizer on the Security Agent's instructions (in accordance with the Holder Instructions). See "*Collateral and Summary of Security Arrangements*" below.

Investors will indirectly bear expenses of the Issuer

Through their investment in the Digital Bonds, investors bear the cost of the Issuance Fee, the Tokenization Services Fee and certain other expenses of the Issuer described in this Offering Memorandum. The price at which the Digital Bonds are issued (which represents a smaller discount to their face value than the discount to the face value of the Underlying T-bills purchased by the Issuer from the Broker, which in turn is smaller than the discount obtained by the Broker when purchasing them) reflects a portion of such fees and expenses. In the aggregate, these fees and expenses may be greater than if an investor were to directly make investments identical to the Underlying T-bills. Any unpaid fees due to the Custodian and the Security Agent (if any), certain fees due to the Issuer's other Service Providers and any outstanding

governmental taxes and filing and registration fees of the Issuer, for example, rank senior to payments to the Holders in both the pre- and post-enforcement priorities of payment.

Under the Arrangement and Tokenization Services Agreement, the Tokenizer has undertaken to pay the fees and expenses of the Issuer on its behalf or to put the Issuer in funds to make payment of such fees and expenses, such that on maturity of the Digital Bonds it is not anticipated that any fees or expenses of the Issuer will need to be paid out of the Collateral proceeds before distribution to the Holders. Nevertheless, there could be unexpected costs or the Tokenizer could refuse, be unable or fail for another reason to make payment or service providers could automatically deduct amounts from the Issuer's accounts when effecting transactions for the Issuer, with the result that the proceeds available to the Issuer to make payment to the Holders are insufficient to enable the Issuer to pay the full principal amount of the Digital Bonds to the Holders after making payment of amounts ranking above the Holders in the relevant priority of payments.

In addition, in the absence of funding from the Tokenizer, the Issuer is dependent upon the proceeds of the Collateral being sufficient for the payment of its expenses in accordance with the applicable priority of payments. If funds are not sufficient to pay the expenses of the Issuer, the ability of the Issuer to operate effectively may be impaired, and the Issuer may not be able to defend or prosecute legal proceedings brought against it or that it might otherwise bring to protect its interests. If a Holder or other person brings litigation against the Issuer or any person indemnified by the Issuer, the related costs of such litigation including any damages payable or indemnified against by the Issuer could adversely affect the ability of the Issuer to make payments on the Digital Bonds and the costs would be indirectly borne by the Holders of the Digital Bonds.

Holders are responsible for conducting their own checks and performing their own due diligence to ensure compliance with the Selling Restrictions, the Sanctions Restrictions and the Eligibility Criteria applicable to the Digital Bonds

Any secondary transfer of the Digital Bonds must be made in compliance with the Selling Restrictions and the Sanctions Restrictions (together, the "**Transfer Restrictions**") and the Eligibility Criteria set out in this Offering Memorandum and in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions of the Digital Bonds. Each Holder, by acquiring any Digital Bonds is deemed to acknowledge and agree to comply with such restrictions, which are designed to ensure compliance with applicable Sanctions, Anti-Money Laundering and Anti-Terrorist Financing legislation and regulations and applicable securities laws, as well as the terms of the Issuer's T-license to conduct its digital asset business in Bermuda.

The Issuer (or the Tokenizer on its behalf) conducts Investor Screening in respect of all subscribers of the Digital Bonds on their primary issuance (including any subscribers of Digital Bonds issued during an Additional Issuance Settlement Window) and in respect of Holders in advance of any payments being made under the Digital Bonds with the aim of ensuring compliance with such requirements. However, other than the Sanctions Blacklist and the Digital Wallet Blacklist, by reference to which (i) the Bond Smart Contract automatically blocks transactions in the Digital Bond Tokens and any other interactions with the Bond Smart Contract using digital wallet addresses included thereon, and (ii) the Bond Token Vault Smart Contract automatically blocks transactions in the Bond Token Receipts and any other interactions with the Bond Token Vault Smart Contract using digital wallet addresses included thereon, neither the Issuer nor the Tokenizer has any control over secondary transfers of the Digital Bond Tokens or the Bond Token Receipts on the DLT. Holders are therefore responsible for conducting their own diligence and performing appropriate checks to ensure their own compliance with such restrictions.

Any failure by a Holder to comply with the Transfer Restrictions and the Eligibility Criteria could result in a breach by such Holder and/or the Issuer, the Arranger and/or the Tokenizer of applicable securities, Sanctions, Anti-Money Laundering or Anti-Terrorist Financing laws or regulations, exposing the Holder, the Issuer, the Arranger and/or the Tokenizer to potential fines, penalties, a revocation of its operating license

and other sanctions by regulators and may expose the Holder to claims by transferees who are unable to claim payment under the Digital Bonds due to the Issuer determining through Investor Screening that they are not eligible to hold the Digital Bonds in accordance with the Transfer Restrictions or the Eligibility Criteria.

The Issuer, the Tokenizer or the Security Agent has the right to withhold payment, require any Holder of the Digital Bonds to sell their holdings or prevent a Holder from dealing in Digital Bond Tokens or Bond Token Receipts if the Holder fails to satisfactorily complete Investor Screening

If the Issuer (or the Tokenizer on its behalf or on behalf of the Security Agent) determines through Investor Screening or otherwise that a Holder of the Digital Bonds (whether by virtue of possessing Digital Bond Tokens or Bond Token Receipts) does not have the status that it purports to have, that such Holder is not otherwise qualified to hold the Digital Bonds, or if a Holder fails to satisfactorily complete Investor Screening, the Issuer, the Tokenizer or the Security Agent will have the right to require such Holder to dispose of the Digital Bonds held by it, within 30 days after the date of such request, to a person or entity that is qualified to hold the Digital Bonds, and if such Holder fails to transfer its Digital Bonds within such timeframe, the Issuer will have the right to add or maintain the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist (thus preventing the Holder from effecting further transactions in the Digital Bond Tokens or Bond Token Receipts) and to withhold any payment otherwise due under the Digital Bonds to such ineligible Holder. None of the Issuer, the Tokenizer or the Security Agent will be liable to any Holder for losses suffered as a result of the Issuer, the Tokenizer or the Security Agent determining to take any such steps.

Risks relating to Taxes

The Issuer and/or payments on the Digital Bonds may be or become subject to various taxes

The Issuer expects that its income, profits and capital gains will not be subject to tax in Bermuda. Nor is it anticipated that any withholding or other taxes will be applicable to the Digital Bonds in Bermuda. The Issuer has been given an assurance (the "**Tax Assurance**") by the Minister of Finance in Bermuda that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any such tax will not be applicable to the Issuer or to any of its operations or the shares, debentures or other obligations of the Issuer. Such assurance is valid until 31 March 2035.

There can be no assurance, however, that the Issuer or the Digital Bonds will not be or become subject to tax under the laws of other jurisdictions. The imposition of such taxes could materially affect the Issuer's financial ability to make payments on the Digital Bonds or could constitute a Tax Event under the Conditions of the Digital Bonds, giving rise to a right of the Issuer to effect an early redemption of the Digital Bonds in accordance with Condition 12)c) (*Redemption – Early Redemption - Tax Event*).

In addition, there can be no assurance that income derived by the Issuer will not become subject to withholding or other similar taxes as a result of changes in law or other causes as further described below. In that event, such withholding or other similar taxes could be applied retroactively to fees or other income previously received by the Issuer. To the extent that withholding or other similar taxes are imposed and not paid through withholding, the Issuer may be directly liable to the relevant taxing authority to pay such taxes. The imposition of such taxes could materially affect the Issuer's ability to make payments with respect to the Digital Bonds.

As a result of changes made to the Exempted Undertakings Tax Protection Act 1966 (as amended) (the "**EUTP Act**") by the CIT Act (as defined below), the Tax Assurance has been made subject to the application of any taxes pursuant to the CIT Act, as described further below.

The Issuer has obtained from the Bermuda Minister of Finance under the Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to the Issuer or any of its operations or its shares, debentures or other obligations, until March 31, 2035. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Bermuda Land Tax Act 1967, as amended, or otherwise payable in relation to any property leased to the Issuer. Given the limited duration of the Bermuda Minister's assurance, the Issuer cannot be certain that it will not be subject to any Bermuda tax after March 31, 2035.

As a result of the Corporate Income Tax Act 2023 (the "**CIT Act**"), this assurance has been made subject to the application of any taxes pursuant to the CIT Act, as described further below.

On 20 December 2021, the OECD published the draft Global Anti-Base Erosion Model Rules which were aimed at ensuring that multinational enterprises ("**MNEs**") would be subject to a global minimum 15% tax rate from 2023 ("**GloBE Rules**").

In the 2023 budget, the Bermuda government announced the formation of an International Tax Working Group (the "**Working Group**") consisting of specialists in international tax matters and representatives of various bodies whose members may be directly impacted by such to examine how Bermuda can appropriately implement the GloBE Rules. The Working Group reported its findings and provided recommendations to the Bermuda government in July 2023. The Bermuda government subsequently issued three public consultation papers as part of its considerations on the introduction of a corporate income tax in Bermuda, on 8 August 2023, 5 October 2023 and 10 November 2023. On 27 December 2023, the Bermuda government passed the CIT Act, which will become fully operative with respect to the imposition of corporate income tax on 1 January 2025.

Under the CIT Act, Bermuda corporate income tax will be chargeable in respect of fiscal years beginning on or after 1 January 2025 and will apply only to Bermuda entities that are part of MNE groups with €750 million or more in annual revenues in the consolidated financial statements of the ultimate parent entity for at least two of the four fiscal years immediately preceding the fiscal year in question ("**Bermuda Constituent Entity Group**"). The CIT Act also provides for certain exclusions and, subject to election, the following entities shall not form part of a Bermuda Constituent Entity Group: excluded entities (as defined), and an entity that is less than 80% owned (by value), directly or indirectly, by the ultimate parent entity of the relevant in scope MNE group. Where corporate income tax is chargeable to a Bermuda Constituent Entity Group, the amount of corporate income tax chargeable for a fiscal year shall be (a) 15% of the net taxable income of the Bermuda Constituent Entity Group less (b) tax credits applicable to the Bermuda Constituent Entity Group under Part 4 of the CIT Act, or as prescribed. The CIT Act introduces certain 'qualified refundable tax credits' which are set to be developed during 2024 to incentivise companies to support Bermuda residents through investments in key areas such as education, healthcare, housing, and other projects to help develop Bermuda's workforce. Bermuda will continue to monitor further developments around the world as other jurisdictions address the OECD's standards.

A "group" is defined for the purposes of the CIT Act as a collection of entities that are related through ownership or control such that the assets, liabilities, income, expenses and cash flows of those entities are included in the consolidated financial statements of the ultimate parent entity, or are excluded from the consolidated financial statements of the ultimate parent entity solely on size or materiality grounds, or on the grounds that the entity is held for sale.

Assuming that the Issuer is not a member of a "group" for the purposes of the CIT Act, the Issuer should not be within the scope of the CIT Act.

On the understanding that the Issuer is not a member of an MNE group which has annual revenues of EUR750 million or more in at least two out of the previous four fiscal years, the Issuer does not expect to be part of a Bermuda Constituent Entity Group and should therefore fall outside the scope of the CIT Act.

The Bermuda government and/or the Working Group is expected to publish guidance on the application of the CIT Act.

Bermuda has a tax treaty with the United States, which was signed in 1986 and came into force in 1988. However, the agreement applies only to federal income taxes and excise taxes in relation to insurance business. In addition, Bermuda has entered into a tax information exchange agreement with the United States and has entered into tax information exchange agreements with certain other jurisdictions pursuant to the CRS.

FATCA and Similar Tax Compliance Rules

FATCA imposes a withholding tax of 30% on certain payments made to the Issuer unless the Issuer complies with the U.S.A. – Bermuda Tax Convention Act 1986 (as amended) together with the guidance notes made pursuant to such law (together, the "**Bermuda FATCA Legislation**") that implements the Model 2 intergovernmental agreement between the United States and Bermuda signed on December 19, 2013 (the "**Bermuda IGA**"). The Bermuda FATCA Legislation and the Bermuda IGA may require, among other things, that the Issuer collect and provide to the IRS substantial information regarding certain direct and indirect holders of the Digital Bonds. The Issuer intends to comply with its obligations under FATCA, the Bermuda FATCA Legislation and the Bermuda IGA. The Issuer is classified under FATCA as a non-financial foreign entity (an "**NFFE**"). As such, it may be subject to the requirements imposed on NFFEs under FATCA and owners of the Digital Bonds may be required to provide information, tax documentation and waivers that the Issuer determines are necessary to comply with its obligations under FATCA. The ability of the Issuer to satisfy such obligations will depend on the owners of the Digital Bonds, providing, or causing to be provided, any information, tax documentation and waivers, including information concerning the direct or indirect owners of such owner, that the Issuer determines are necessary to satisfy such obligations.

There can be no assurance, however, that these measures will be effective, and that the Issuer and owners of the Digital Bonds will not be subject to the noted withholding taxes, fines or penalties. The imposition of such taxes, fines or penalties could materially affect the Issuer's ability to make payments on the Digital Bonds or could reduce such payments.

Prospective investors should consult their own tax advisors regarding the potential implications of FATCA, the Bermuda FATCA Legislation and the CRS.

Payments on the Digital Bonds are not required to be grossed up for tax withheld

The Issuer expects that payments on the Digital Bonds ordinarily will not be subject to any withholding tax. However, there can be no assurance that such payments will not become subject to withholding or other similar taxes as a result of a change in any applicable law, treaty, rule or regulation or interpretation thereof or other causes, possibly with retroactive effect. In the event that withholding or deduction of any taxes from payments on the Digital Bonds is required by law in any jurisdiction, the Issuer will be entitled, but not obligated to withhold or deduct such amounts before making payment to the Holders.

If any such withholding tax or deduction for tax is imposed on payments under or in connection with the Digital Bonds, the Holders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for any shortfall.

Tax Risk related to Digital Assets

The taxation of digital assets and associated companies can vary significantly by jurisdiction and are subject to significant revisions. These revisions, or the application of new tax schemes or taxation in additional jurisdictions, may adversely impact the Issuer’s performance. Accordingly, the way in which the Digital

Bonds are taxed may vary from country to country. Before deciding to invest in Digital Bonds, investors should consult their local tax advisor.

The Issuer may become exposed to significant tax risk. Any major tax burden may hinder the Issuer's ability to maintain the Digital Bonds, may result in the early termination and redemption of the Digital Bonds and, if such tax burden results in insolvency, may affect the Issuer's ability to otherwise continue to operate as expected. Any insolvency of the Issuer would constitute a Realization Event under the Conditions of the Digital Bonds, triggering their automatic acceleration and enforcement of the Security by the Security Agent on behalf of the Holders of the Digital Bonds.

Risks relating to the Collateral and the Security

Treasury Bills

The Issuer will invest in Treasury Bills and will therefore be exposed to the risks that Treasury Bills pose, including default risk. Treasury Bills are supported by the full faith and credit of the United States government. The performance of Treasury Bills depends on macroeconomic factors such as interest rate and price levels on the capital markets, exchange rate developments, political factors and factors specific to the United States government as issuer. The market value of the Digital Bonds and the payments on the Digital Bonds may be significantly affected by such factors, which could result in significant losses to the Holders.

The return that a Holder receives on the Digital Bonds may not be the same as the return that the Holder would receive if the Holder had actually purchased the Underlying T-bills. The Digital Bonds will be issued at a discount to their par value which is less than the discount offered on the Underlying T-bills and subsequent transferees of the Digital Bonds may also purchase the Digital Bonds at a smaller discount. Accordingly, a Holder of such Digital Bonds may earn a lower yield upon redemption of the Digital Bonds than would have been the case if the Holder had invested directly in the Underlying T-bills. These factors may have an adverse effect on the market value and on the return on the Digital Bonds.

It is difficult, if not impossible, to predict the future political, regulatory or economic changes that could impact the value of Treasury Bills. Yields available from Treasury Bills are generally lower than the yields available from other debt securities. Treasury Bills are subject to the risk of the United States government's inability to meet the indebtedness represented by the Treasury Bills (i.e., credit risk) and are subject to price volatility resulting from, among other things, interest rate sensitivity, inflation, market perception of the creditworthiness of the United States government and general market liquidity (i.e. market risk). Any depreciation in the value of the Underlying T-bills which serve as collateral for the Digital Bonds or any failure of the United States government to make full and timely payment under the Underlying T-bills could reduce the proceeds received by the Issuer upon the redemption or liquidation of the Underlying T-bills and used by the Issuer to make payment of amounts due to the Holders upon any early termination or early redemption of the Digital Bonds or upon their maturity, resulting in a loss for the Holders.

Sub-Custody Arrangements

The Collateral will be held by StoneX Clearing (as to any securities) and Bank of America (as to any cash) as Sub-Custodians on the Custodian's behalf.

The Collateral may be held in omnibus accounts by the Sub-Custodians and there is a risk that the Issuer's assets could be withdrawn or used to meet obligations of other persons, or that the balance of assets held by a Sub-Custodian does not reconcile with the quantity which that Sub-Custodian is required to hold, and the Issuer may not in such circumstances receive its full entitlement. The Custodian has obtained an undertaking from each Sub-Custodian to segregate the Collateral held by it for the Custodian from its own assets and from the Custodian's assets.

The Sub-Custodians each have a security interest or lien over, or right of set-off in relation to the Collateral in respect of the fees due to it from the Custodian in respect of such Collateral. Where the Sub-Custodian has a security interest, lien, right of set-off, or similar rights over the Collateral, the Issuer is exposed to the risk that the Sub-Custodian may exercise such rights over the Collateral and reduce the amount of the Collateral even where the Issuer has not breached any of its obligations under the Brokerage and Custody Agreement.

The Custodian is not liable for the acts, omissions or insolvency of a Sub-Custodian. In the event of the insolvency or any other analogous proceedings of a Sub-Custodian, the Custodian may only have an unsecured claim against the relevant Sub-Custodian on the Issuer's behalf and on behalf of the Custodian's other clients and the Issuer will be exposed to the risk that the securities, cash or any other property received by the Custodian from the relevant Sub-Custodian is insufficient to satisfy the Issuer's claim and the claims of all other relevant clients in respect of the relevant account with the Sub-Custodian.

Limited Trading Hours

The on-exchange trading of Underlying T-bills (and any other Collateral Securities) held by the Issuer as collateral for the Digital Bonds, may be restricted to specific trading windows available on the relevant securities/commodities exchange. Therefore, in the event of an early redemption or early termination of the Digital Bonds, the Custodian (acting on the Issuer's instructions) may not be able to sell the Underlying T-bills (and any other Collateral Securities) outside of exchange market hours in the necessary quantities, or at all. This might make the Issuer and the Holders vulnerable to price movements and volatility on the markets and could result in the Issuer receiving less proceeds for distribution to the Holders from the liquidation of the Underlying T-bills (and any other Collateral Securities) resulting in an Early Redemption Payment Amount or Early Termination Payment Amount being payable under the Digital Bonds which is (potentially significantly) less than their outstanding principal amount. Investors will not be compensated and will have no claim against the Issuer for any such shortfall.

No Ownership Rights and no Opportunities to Influence Decisions Affecting the Underlying

The Digital Bonds do not confer any claims or ownership rights of the Holders in respect of the Underlying T-bills, nor do they represent any participation in the Underlying T-bills. Therefore, Holders may not claim delivery of the Underlying T-bills and have no rights to participate in any decisions affecting the Underlying T-bills. The market value of the Digital Bonds and the amounts payable (or other benefits to be provided) may be materially adversely affected.

No Over-Collateralization

The Issuer will purchase Underlying T-bills on the Issue Date and upon the issuance of any Digital Bonds during any Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*) in an aggregate USD principal amount which is equal to the USDC principal amount repayable under the Digital Bonds issued as of such date. There is no excess collateral or 'overcollateralization' or other form of credit enhancement for the Issuer's obligations under the Digital Bonds, other than the Tokenizer's undertaking to provide funding for the Issuer Fees and Expenses. The Collateral will not be managed, and investors could suffer losses if the value of the Collateral decreases over time or if the value of 1.00 USD decreases as compared to the value of 1.00 USDC. See "*Depeg Events*" above.

In the event of any early termination or early redemption of the Digital Bonds or a Realization Event, it is unlikely that the Issuer or the Security Agent will be able to sell the Underlying T-bills (and any other Collateral Securities) at 100% of their face amount. Holders will also bear the costs of the liquidation of the Collateral, including the fees charged by the Custodian in respect of such liquidation (represented by the spread between the price at which the Custodian purchases the Underlying T-bills (and any other Collateral Securities) from the Issuer and the price at which it sells them on the open market). In that event, the Issuer will not have sufficient funds to make payment to the Holders of an Early Redemption Payment Amount or Early Termination Payment Amount equal to the full principal amount of the Digital Bonds or

the Security Agent may not have sufficient funds to distribute an amount equal to the full principal amount of the Digital Bonds to the Holders.

Realization of the Collateral may not produce sufficient proceeds to enable payment of the full principal amount of the Digital Bonds

In case the received amounts after the realization of the Collateral are not sufficient to fully cover the fees and expenses of the Security Agent, any Paying Agent, the Custodian, the Broker, the On-Off Ramper, the blockchain (in particular, DLT fees), other transaction parties and the Issuer's payment obligations to Holders, then the Holders may incur losses, which may be significant.

If the Issuer defaults and the Security Agent (in accordance with the Holder Instructions) declares the Digital Bonds immediately due and payable and/or enforces its rights under the Security Deed to seize and dispose of the Collateral, the realization of the Collateral may not be of sufficient value to cover all redemption amounts payable to Holders due to:

a. the Issuer or the Security Agent not being able to realize some or all of the Underlying T-bills (or any other Collateral Securities) at their principal amount;

b. it may not be possible for payments in respect of redemption amounts to be made on-chain in the Settlement Currency and there may be costs involved in arranging for payment of redemption amounts to the Holders off-chain in fiat currency; or

c. the Securities Collateral Account only contains Underlying T-bills having (as of the Issue Date) an aggregate USD face amount equal to the aggregate outstanding USDC principal amount of the Digital Bonds; and

d. any costs of the Broker, the Custodian, any Paying Agent and/or the Security Agent associated with the enforcement of the Security, the realization of the Collateral and the distribution of the net proceeds thereof to the Holders.

The Issuer or the Security Agent may not be able to recover all sums due to the Issuer and may not, therefore, have sufficient amounts to fund the Issuer's payment obligations under the Digital Bonds and/or it may take longer to realize the Collateral and, therefore, Holders may experience delays in receiving amounts due to them and may receive less than the Early Redemption Amount or Early Termination Amount payable in respect of the Digital Bonds upon any early termination or early redemption of the Digital Bonds or less than the principal amount of the Digital Bonds upon their maturity.

The Security for the Digital Bonds is limited

The Issuer does not grant an 'all assets' security for the benefit of the Holders or the Security Agent.

The security granted by the Issuer in respect of its obligations to the Holders under the Digital Bonds is limited to the Collateral Accounts, the cash and securities standing to the credit of such accounts and the Issuer's other rights and interests in respect of such accounts. If, upon any realization of the Collateral, the proceeds of such assets are not sufficient to make payment in full of amounts due to the Holders in respect of the Digital Bonds, the Holders will suffer a loss.

No security interest is granted by the Issuer for the benefit of the Holders over any other assets of the Issuer, including, without limitation, the Issuer's interest in the fiat bank account of Digital Bonds Ltd with BCB, the Issuer's Fireblocks digital wallet, the Issuer's fiat account and digital wallet with the On-Off Ramper or the Issuer's rights against its Service Providers (including the Tokenizer) under the Transaction Documents (including, without limitation, the Tokenizer's obligation to provide funding to pay the Issuer Fees and Expenses). The Holders therefore do not have recourse to any such other assets of the Issuer as

security for the payment of amounts due from the Issuer in respect of the Digital Bonds and are dependent upon the Issuer to enforce its rights against its Service Providers.

Any failure of the Issuer to enforce its rights against the Service Providers could result in the Issuer being unable to service the Digital Bonds as contemplated under the Conditions, including the making of any payments due to the Holders thereunder in full, in a timely manner or at all. In particular, any failure by the Issuer to enforce its rights against the Tokenizer to demand payment of the Issuer Fees and Expenses could require the Issuer to make payment of such amounts out of the proceeds of the Collateral, thereby reducing the amount of proceeds available to the Issuer to make payments to the Holders. The Security Agent will not take steps to enforce such obligations on behalf of the Holders.

Lack of security for Digital Bonds for brief periods during issuance, redemption and rollover settlement processes

Funds and other digital assets (including any Maturing Bonds held by it during the Rollover Settlement process) in the Issuer's digital wallet with Fireblocks, its fiat account and digital wallet at Coinbase and the Issuer's interest in the fiat account of Digital Bonds Ltd with BCB are not secured.

Digital bond tokens representing any Maturing Bonds acquired by the Issuer upon a Rollover Settlement will be delivered to the Issuer's digital wallet with Fireblocks and will remain there until the Issuer submits a payment claim to the Preceding Issuer in respect of the Final Payout Amount payable under such Maturing Bonds. During such period, the Digital Bonds will be backed (but not secured against) such digital bond tokens (representing the Issuer's right to receive such Final Payout Amount).

The Issuer will purchase the Underlying T-bills using the proceeds received by it from the primary issuance of the Digital Bonds (including any USD proceeds paid into the Cash Collateral Account representing the Final Payout Amount due to it from the Preceding Issuer in respect of any Maturing Bonds acquired by the Issuer upon a Rollover Settlement). The transaction for the purchase of the Underlying T-bills will settle on the Issue Date (or, as the case may be, on the date of issuance of any Digital Bonds during an Additional Issuance Settlement Window). Because the Issuer does not grant security over its Fireblocks digital wallet or its digital wallet or fiat account with Coinbase, Holders will not have the benefit of any security over the USDC subscription proceeds from the time at which they are received by the Issuer in its digital wallet (upon each settlement by a Committed Investor of its bond purchase), nor over such USDC proceeds once deposited to the Issuer's digital wallet with Coinbase or when converted into USD and credited to the Issuer's fiat account with Coinbase. The Security will only attach to such USD proceeds upon their deposit to the Issuer's Cash Collateral Account with the Custodian, which must be done in time for settlement of the Underlying T-bills purchase transaction. Upon their receipt, the Custodian will immediately apply such USD proceeds towards the settlement of the Underlying T-bills purchase. The Security will attach to the Underlying T-bills upon their deposit to the Securities Collateral Account. Due to the intra-day settlement of each Rollover, Primary Issuance and Underlying T-bills purchase transaction, this period between opening of the Issuance Settlement Window (or Additional Issuance Settlement Window) and the deposit of the USD proceeds to the Cash Collateral Account is no longer than a few hours. The security over the USD proceeds paid by the Preceding Issuer directly into the Cash Collateral Account representing the Final Payout Amount in respect of any Maturing Bonds acquired by the Issuer upon a Rollover Settlement attaches immediately upon such USD being received by the Issuer.

Likewise, upon any early redemption or termination of the Digital Bonds and upon their maturity, Holders' claims against the Issuer in respect of the Digital Bonds will be unsecured from the point in time at which the USD proceeds of the Collateral are transferred out of the Cash Collateral Account of the Issuer with the Custodian while such proceeds are transferred and converted to USDC via the Off-Ramper and until such USDC are deposited by the Issuer into the Bond Smart Contract to be claimed by entitled Holders.

During these periods the Holders have only an unsecured claim against the Issuer in respect of amounts payable under the Digital Bonds and are thus exposed to credit risk of the Issuer, to counterparty and

credit risk in respect of the Service Providers to the Issuer and the risk of insolvency of the Issuer and any Service Provider to the Issuer holding funds for the Issuer, in which proceedings the Issuer or the Holders may have only a general claim against the assets of the insolvent party.

Potential for distribution of Realization Proceeds through unsecured accounts of the Issuer upon enforcement of the Security

Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*) provides that the Security Agent will (acting on the Holder Instructions) take instructions from the Tokenizer with regard to the method of distribution of the Net Realization Proceeds to the Holders following any Realization Event and an enforcement by the Security Agent of the Security. These methods of distribution include on-chain distributions in USDC and off-chain distributions in USD, in each case via the unsecured digital wallet and fiat account of the Issuer with Coinbase, the unsecured Fireblocks digital wallet of the Issuer and/or the unsecured fiat account of Digital Bonds Ltd with BCB. Only in the case of a Realization Event under Condition 23)a)iv) (*Insolvency or Winding-Up*) or Condition 23)a)v) (*Insolvency or Winding-Up Proceedings*), will the Security Agent be prohibited from instructing such distribution via the Issuer's accounts. In all other cases, unless the Security Agent is instructed by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD via the Security Agent or a Paying Agent, Holders will be exposed to performance risk of the Tokenizer and credit and insolvency risk of the Issuer when such proceeds are credited to the Issuer's unsecured accounts. The Security Agent will not have control over such accounts of the Issuer and Holders will be reliant upon the Issuer's and the Tokenizer's undertakings to comply with the Security Agent's instructions and with the procedures outlined in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*) and upon the Tokenizer (as the party having the authority to give instructions in respect of the Issuer's accounts) complying with its undertaking to exercise its authorities in good faith and solely in accordance with and for the purpose of effecting the transfers and conversions prescribed by the Conditions or as otherwise instructed by the Issuer (subject always to the Deed Poll (including the Conditions) and the other Transaction Documents.

Limited Role of Security Agent

The role of the Security Agent is limited in several respects.

The Security Agent acts as an agent for the Holders and not as a trustee. The Security Agent does not generally represent or protect the interests of the Holders. The Security Agent's duties under the Deed Poll (including the Conditions), the Security Deed and the Securities Account Control Agreement are solely mechanical and administrative in nature and the Security Agent does not owe any duties of a fiduciary nature to the Holders or any other person, regardless of whether a Realization Event has occurred and is continuing, nor is the Security Agent in any way responsible for the performance of any of the duties, responsibilities or liabilities of the Issuer. The Security Agent is not responsible for monitoring the performance by the Issuer of its obligations or for the occurrence of a Realization Event and in the absence of notice from the Issuer or the Tokenizer is entitled to assume that no Realization Event has occurred.

The Security Agent's role upon the occurrence of a Realization Event is limited to taking the actions specifically contemplated by the Holder Instructions (which actions may be taken based upon instructions given to the Security Agent by the Tokenizer). The Security Agent is not authorised nor instructed to take any other actions, make any determinations or exercise any discretions in relation to the Collateral or the enforcement of the Security. The Security Agent is not required, nor does it have the ability, to consult with or seek instructions from the Holders, other than the instructions specifically and expressly set out in the Holder Instructions.

The Security Agent is not obligated to take any action or step requiring instructions from and/or performance by the Tokenizer of its services under the Arrangement and Tokenization Services Agreement in the absence of such instructions and/or performance. The Security Agent will not be liable for failing to take any action or step requiring instructions from and/or performance by the Tokenizer of its

services under the Arrangement and Tokenization Services Agreement in the absence of such instructions and/or performance.

The Security Agent also will not be required to take any action prescribed by the Holder Instructions unless it has been pre-funded and/or secured and/or indemnified to its satisfaction. Any such pre-funding or indemnity would need to be provided by Tokenizer, in accordance with its undertaking to fund the Issuer Fees and Expenses (excluding any indemnities) pursuant to the Tokenization Services Agreement, which it may do entirely at its discretion and in the event that the Tokenizer refuses, is unable or otherwise fails to provide such pre-funding, security or indemnification to the Security Agent, the Security Agent will not be required to take the relevant action.

There is therefore a risk that the Security Agent may be unable to take any action in relation to the Collateral or the enforcement of the Security due to a lack of instructions or a lack of pre-funding or indemnification. In such event, the Security Agent will be required to act (in accordance with the Holder Instructions) solely in accordance with instructions provided to it by the Tokenizer. The Tokenizer will not be obliged to give any such instructions or to consult with or seek instructions from the Holders and does not owe any duty (fiduciary or otherwise) to the Holders, will not act as their agent and other than in the case of its own fraud or wilful misconduct will not be liable to the Holders or to any other party for any loss arising out of instructions given by it to the Security Agent or for any failure by the Tokenizer to give any such instructions. Although this is designed to ensure that the enforcement process can proceed in cases where the Security Agent is not able to act, it gives the Tokenizer a substantial degree of discretion and control over the enforcement process.

Although the Tokenizer has undertaken to exercise its authorities and perform its obligations in good faith and in accordance with the Deed Poll (including the Conditions), the Security Deed and the other Transaction Documents, the Tokenizer will have the ability to make decisions and exercise discretions and in doing so, the interests of the Tokenizer may not be aligned with the interests of the Holders.

Risk of recharacterization of any fixed charge as a floating charge

In the context of an insolvency, floating charges generally rank behind fixed charges. Accordingly, the holder of a charge which was a fixed charge on its creation enjoys considerable advantage, in terms of priority of distributions, over the holder of a charge which was created as a floating charge (which includes a floating charge that has crystallised and a charge that was stated to be fixed in the document that created it but, on a proper interpretation, is floating). On insolvency, floating charge holders are paid out after certain preferential creditors, such as employees owed salary payments and pension contributions and tax liabilities.

There is a risk that the English courts might recharacterize the fixed charge under the Security Deed as a floating charge if there is an insufficient degree of control being exercised by the Security Agent over the assets charged pursuant to the Security Deed. The Security Agent will exercise control over the Collateral Accounts only once a Realization Event has occurred and it has issued a Notice of Exclusive Control to the Custodian pursuant to the Securities Account Control Agreement. Until such time, the Issuer (or the Tokenizer on its behalf) will have the ability to give instructions to the Custodian with respect to deposits, withdrawals, payments, transfers and the sale of any securities standing to the credit of the Collateral Accounts, subject only to the contractual limitations set out in the Security Deed and the Conditions. Condition 11) (*Negative Covenants*) provides that the Issuer will not (among other things) withdraw, sell, assign, transfer, exchange, part with possession of or otherwise dispose of the Collateral, nor will the Issuer grant any security interest in the Collateral, except any Permitted Security or as otherwise expressly permitted under the Deed Poll (including the Conditions) and the Security Deed. Pursuant to Clause 8.a (*Covenants of the Issuer- Negative Pledge and Disposal Restrictions*) of the Security Deed, the Issuer has also undertaken that that it will not at any time during the Security Period, except as expressly permitted under the Deed Poll (including the Conditions) or, following the occurrence of a Realization Event, as instructed by the Security Agent (itself acting in accordance with the Holder Instructions):

(i) create, purport to create or permit to subsist any Security on, or in relation to, any Collateral other than any Security created by the Security Deed or any Permitted Security;
(ii) sell, assign, transfer, exchange, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Collateral;
(iii) pledge, mortgage, hypothecate or otherwise encumber all or any part of, or create or grant (or purport to create or grant or permit to occur or suffer to exist) any interest in the Collateral in favour of a third party or enter into an agreement or commitment to do so; or
(iv) enter into or engage in any business with respect to any part of the Collateral.

For these purposes, "**Permitted Security**" includes the fixed charge granted by the Issuer in favour of the Broker and Custodian over the Collateral Accounts in accordance with the Brokerage and Custody Agreement as security for the fees and any other amounts (including any indemnities) due to the Broker and Custodian in respect of the Collateral Accounts and any liens taken by a Sub-Custodian over any part of the Collateral.

Clause 4.b. (*Floating Charge; Crystallisation*) of the Security Deed provides that the Security Agent may permit the fixed charge to take effect as a floating charge or convert any security interest created under the Security Deed which takes effect as or is recharacterized as a floating charge into a fixed charge in certain circumstances. The Security Deed also provides that a floating charge created thereunder will be automatically converted (without notice) into a fixed charge in certain circumstances.

There can be no guarantee that a court would not determine that the Security Agent exercises insufficient control over the Collateral and on that basis recharacterize any security interest expressed under the Security Deed to be a fixed charge as a floating charge, which may result in that security interest having a lesser priority as against other creditors of the Issuer upon any insolvency of the Issuer.

No steps have been taken under U.S. law to perfect or ensure the priority of the Security granted by the Issuer in respect of the Underlying T-bills

In the case of security over a debt or other chose in action, the priority and perfection of such security will be decided according to the law of the relevant debt or the law governing the creation of the chose in action. As an asset consisting of rights and obligations which are governed by U.S. law, the security interest granted by the Issuer in respect of the Underlying T-bills may be subject to specific requirements under U.S. laws in order to ensure the perfection (and thus the effectiveness) and priority of such security.

The Issuer has not sought advice from U.S. counsel in this regard and has not taken any specific steps (such as the filing of UCC financing statements or otherwise) to ensure the effectiveness and priority of the Security under any federal or state laws in the United States. There can be no guarantee, therefore, that a U.S. court or any liquidator involved in insolvency proceedings under U.S. law would recognise the Security or its priority, which could result in the Holders having a lower ranking claim or an unsecured claim against the Issuer in respect of the Digital Bonds.

Certain insolvency law considerations and limitations on the validity and enforceability of the Security

Digital Bonds Ltd is a Bermuda segregated accounts company and is subject to Bermuda laws. Bermuda is a self-governing overseas territory of the United Kingdom. Bermuda's legal system is based upon the English legal system. Bermuda has its own legislature, which enacts legislation for Bermuda. In addition, certain U.K. legislation is extended to Bermuda by the U.K. legislature and is effective in Bermuda.

Where issues of common law in Bermuda have not been expressly considered by the Bermuda courts, the Bermuda courts often find assistance in the consideration of such issues in reasoned judgments of the English courts, as well as the courts of other common law jurisdictions, where appropriate. The Judicial Committee of the Privy Council sitting in London is the highest appellate court for Bermuda and decisions of that Committee are formally binding upon Bermuda courts.

Bermuda's insolvency regime is generally premised upon the concept of *pari passu* distribution of assets amongst the unsecured creditors of the insolvent company, subject to the rights of secured creditors of that company to enforce their security interests. An insolvent Bermuda company may be the subject in Bermuda of winding up proceedings. In the context of insolvency, the other proceedings that may be used in Bermuda are a scheme of arrangement or receivership, but these are not exclusive to insolvency.

There are two types of insolvent liquidations in Bermuda: voluntary and compulsory. The former is commenced by the company itself (which can be on a solvent or insolvent basis and will require a resolution of the members and, if the company is insolvent, a creditors' resolution), while the latter is commenced by way of a petition presented to the Supreme Court of Bermuda by creditors or contributories upon which the court is asked to make a winding-up order. There are a number of circumstances provided for in Section 161 of the Companies Act 1981 of Bermuda (as amended) (the "**Companies Act**") in which a Bermuda company may be wound up by the court, the most common of which is when the company is unable to pay its debts.

In the case of the company's inability to pay its debts, the petition can be presented by either the company or a creditor or a contributory of the company. For this purpose, "creditor" includes a contingent or prospective creditor, and a "contributory" is every person liable to contribute to the assets of a company in the event of its being wound up. Pursuant to the Companies Act, a company will be deemed to be unable to pay its debts if:

a) a creditor, by assignment or otherwise, to whom the company is indebted in a sum exceeding five hundred dollars then due, has served on the company, by leaving it at the registered office of the company, a demand requiring the company to pay the sum so due and the company has for three weeks thereafter neglected to pay the sum or to secure or compound for it to the reasonable satisfaction of the creditor;

b) the execution or other process issued on a judgment, decree or order of any court in favour of a creditor of the company is returned unsatisfied in whole or in part; or

c) it is proved to the satisfaction of the Supreme Court of Bermuda that the company is unable to pay its debts. In determining whether a company is unable to pay its debts, the court will take into account the contingent and prospective liabilities of the company.

Upon the appointment of a liquidator, the rights and duties of the directors of an insolvent Bermuda company will, subject to any order of the Supreme Court of Bermuda to the contrary, cease. The liquidator is required to collect in the assets, subject to the rights of secured creditors to enforce their security as described in the following sentence and distribute them *pari passu* amongst unsecured creditors. However, the making of a winding up order or the appointment of a liquidator does not affect the power of any secured creditor to realize or otherwise deal with his security in the same manner as he would have been entitled to realize or deal with it prior to the liquidator's appointment.

There are no bankruptcy treaties in force under the laws of Bermuda.

Under Bermuda law, certain transactions may be set aside or otherwise be varied or amended by order of a Bermuda court when an insolvent Bermuda company goes into liquidation. This occurs where an impugned transaction is a fraudulent preference or a transaction that constitutes a fraud on creditors or, under certain circumstances, a floating charge.

Section 237 of the Companies Act provides that any conveyance, mortgage, delivery of goods, payment, execution or other act relating to property made or done by or against a company within six months prior to the commencement of its winding up may be held invalid if the transactions were made with a view of giving the creditor, or any surety or guarantor for the debt due to the creditor, a preference over the other

creditors shall in the event of the company being wound up be deemed a fraudulent preference of its creditors and be invalid accordingly.

Under section 36C of the Conveyancing Act 1983 of Bermuda, every disposition of a Bermuda company's property made at an undervalue is voidable (i) if the disposition was a disposition the dominant purpose of which is to put the property which is the subject of that disposition beyond the reach of a person or a class of persons who is making, or may at some time make, a claim against him; and (ii) where the person seeking to void the disposition was, on the date of the disposition, not a person to whom an obligation was owed by the transferor or they were a person whom the Supreme Court of Bermuda is satisfied was a person who, on the date of disposition, was reasonably foreseeable by the transferor as a person to whom an obligation might become owed by the transferor. This rule applies within or outside liquidation (and in fact a liquidator may not have standing to bring a claim under this section). Insolvency is not a prerequisite.

A creditor will be an eligible creditor for the purposes of this section if it is a person to whom: (a) on, or within two years after, the date of the transfer the transferor owed an obligation and on the date of the action or proceeding to set aside the relevant disposition that obligation remains unsatisfied; (b) on the date of the transfer, the transferor owed a contingent liability, and since that date the contingency giving rise to the obligation has occurred and on the date of the action or proceeding to set aside the relevant disposition that obligation remains unsatisfied; or (c) on the date of the action or proceeding to set aside the relevant disposition the transferor owes an obligation in consequence of a claim, made by that person against the transferor, arising from a cause of action which accrued prior to, or within two years after, the date of the transfer. This may extend up to 8 years, as eligible creditors have 6 years within which to initiate proceedings, calculated from when the cause of action occurred.

Under Section 166 of the Companies Act, in a winding-up by the court, any disposition of the property of a Bermuda company, and any transfer of shares, or alteration in the status of the members of the company, made after the commencement of the winding-up shall, unless the court orders otherwise, be void. The Supreme Court has the power to retrospectively validate a transaction made after the presentation of a petition which would otherwise be void.

Under Section 246 of the Companies Act, if in the course of the winding-up of a company it appears that any business of the company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the court may declare that any persons who were knowingly parties to the carrying on of the business in such manner shall be personally responsible, without any limitation of liability, for all or any of the debts or other liability of the company as the court may direct.

Under Section 239 of the Companies Act, where a company is being wound up, a floating charge on the undertaking or property of the company created within 12 months of the commencement of the winding up shall, unless it is proved that the company immediately after the creation of the charge was solvent, be invalid, except to the amount of any cash paid to the company at the time of or subsequently to the creation of, and in consideration for, the charge, together with interest on that amount at the statutory rate.

Set-off of debts is permissible upon the commencement of winding-up of an insolvent Bermuda company, but only in respect of mutual dealings subsisting at the commencement of winding-up. If there is a net balance after the set-off, such sums may be claimed in the liquidation.

Risks relating to the Offer

Limited Liquidity and Trading Volume

There is no guarantee for the liquidity of the Digital Bonds offered via secondary markets. The volume of Digital Bonds traded on secondary markets may be highly limited, which can have a negative effect on the

market price of the Digital Bonds. Therefore, it may be extremely difficult for Holders to buy and/or sell the Digital Bonds in a short period of time (without their price being negatively affected) or at all. Holders do not have the right to redeem the Digital Bonds with the Issuer at any time and should therefore be prepared to hold the Digital Bonds to maturity.

The Issuer has not engaged any regulated intermediaries other than the Arranger to distribute or make a market in the Digital Bonds whether in the primary or secondary market.

Special Risks relating to Blockchain Usage

The verification of the parties to each transaction involving the Digital Bond Tokens or the Bond Token Receipts will be conducted on a blockchain. Therefore, Holders of the Digital Bonds are exposed to increased risks concerning fraud and loss, including, but not limited to cyberattacks. Several platforms have become victims of such attacks. In general, digital assets can be stolen. They are stored in a crypto wallet, accessible only via private key, which nevertheless can be compromised. Crypto wallets do not store or contain the currency itself, they mainly store public and private keys, which are used as an address for receiving or spending the digital asset. Both forms of transactions are recorded on the public immutable ledger, the blockchain. By using the private key, a person is able to spend the digital asset and record the transaction on the ledger.

The Digital Bond Tokens and the Bond Token Receipts are recorded and transferred over such public ledger, i.e. the blockchain. The buyer and seller information and entire transaction history will be stored on this decentralized ledger. If a private key of a Holder is compromised, the Digital Bond Tokens or the Bond Token Receipts may be stolen with the specific public key. Generally, unlike in traditional banking, once a transaction has been added to the blockchain, it cannot be reversed, due to, among other things, its decentralized characteristics.

Legal and Regulatory Risks

Governing Law of the Digital Bonds

The Digital Bonds are created under and are governed by and interpreted in accordance with, English law. There is not currently any specific statutory framework for the issuance of DLT-based securities under English law.

There is no English legislation nor case law specifically relating to the holding and transfer of digital bonds issued exclusively on the DLT in bearer dematerialized form, ownership of which is determined by reference to possession of a digital bond token. Although English law is broadly recognized as being flexible and adaptable to new and developing technologies, there can be no guarantee that an English court would interpret English law, the Conditions of the Digital Bonds or the Transaction Documents in the same way or that there will not be judicial decisions, new legislation or changes in administrative practice introduced after the date of this Offering Memorandum which might render the Digital Bonds invalid or unenforceable as a matter of English law. In such an event, the Issuer would be entitled to exercise its right to terminate the Digital Bonds early in accordance with Condition 12)b) (*Redemption – Early Termination – Issuer Call*). Likewise, there can be no guarantee that the Digital Bonds will be considered valid and enforceable under the laws or by the courts of other jurisdictions.

Dependence on Authorizations

PV01 (the Arranger and Tokenizer) holds a Class 'T' licence issued by the Bermuda Market Authority's Fintech Authorization and Licensing Committee (the "**FALC**") to operate a digital asset business in accordance with its business plan provided to the FALC pursuant to the Bermuda Digital Asset Business Act

2018 (the "**DABA**") in the following categories of activity: (i) to operate as a digital asset services vendor; and (ii) providing custodial wallet services.

Digital Bonds Ltd also holds a Class 'T' licence issued by the FALC to operate a digital asset business in accordance with the DABA in the category of issuing, selling or redeeming virtual coins, tokens or any other form of digital asset. Digital Bonds Ltd will not conduct offers of digital asset issuances to the public in any jurisdiction and is therefore not required to be authorised to conduct digital asset issuances under the Digital Asset Issuance Act 2020 (as amended) (the "**DAIA**") of Bermuda.

The issuance and servicing of the Digital Bonds, the use of distributed ledger technology, the Platform and the Bond Smart Contract as a settlement system, or the purchase, holding and transfer of the Digital Bonds may in the future depend on a relevant approval or licensing of the Tokenizer, the Issuer, the Service Providers or the Holders by the competent authorities in Bermuda or other jurisdictions. Any change to such relevant requirements, the regulations applicable to the Digital Bonds, or acceptance of tokenized securities could adversely impact the ability of the Issuer to maintain and perform its obligations under the Digital Bonds or for the Tokenizer to service the Digital Bonds and may result in an early termination of the Digital Bonds.

Furthermore, there can be no assurance that regulatory authorities in one or more jurisdiction(s) (including Bermuda) will not determine that the Arranger and Tokenizer or the Issuer is required to obtain additional licenses, registrations or authorizations under any current or future securities, commodities or banking laws of such jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the Arranger and Tokenizer, the Issuer or Holders of the Digital Bonds.

Licenses, Registrations and Permits

Except for the licenses and registrations set forth under "*Dependence on Authorizations*" above, none of the Issuer, Digital Bonds Ltd or the Tokenizer, nor the Platform, the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts are licensed, registered or authorised pursuant to the laws, rules or regulations of any jurisdiction, including, but not limited to U.S. and non-U.S. securities laws, rules and regulations.

In the event that one or more such licenses, registrations or permits is required under any applicable law, rule or regulation, the Issuer or the Tokenizer may be subject to enforcement actions by regulatory authorities or litigation by private litigants, the results of which may have a material adverse effect on the Issuer, Digital Bonds Ltd or the Tokenizer and may result, among other things, in any of these entities being required to cease its operations whether due to a regulator ordering the Issuer to do so or due to increased costs to the Issuer of complying with applicable laws, rules or regulations or any order of a regulatory authority having jurisdiction over the Issuer. Such evets would also constitute a Termination Event under the Conditions, potentially giving rise to an early termination of the Digital Bonds by the Issuer, which may occur at a time that may be disadvantageous to the Holders.

Enhanced Scrutiny and Potential Regulation of Private Issuers

There has been enhanced governmental scrutiny and/or increased regulation of private entities in the financial services industries in general. Future legislation may have an adverse effect on private entities in the financial services industries generally and/or on the Issuer, specifically. In addition, regulatory agencies in the U.S., Europe, or elsewhere may adopt burdensome laws (including tax laws) or regulations, or changes in law or regulation, or in the interpretation or enforcement thereof, which are specifically targeted at private entities, or other changes that could adversely affect private entities, including the Issuer. Additional governmental scrutiny may increase the Issuer's, Digital Bonds Ltd's, and the Tokenizer's exposure to potential liabilities and to legal, compliance and other related costs. Such increased regulation and scrutiny could have a material and adverse effect on the Issuer.

Changes in the Regulatory Environment

The Digital Bonds are digital assets, for which the regulatory environment remains unclear and is constantly developing and adapting to new technologies. This applies particularly to the business of issuing and offering blockchain-native securities. Regulatory changes are to be expected at national and international level. This may lead to significant cost increases in the operating business and may have a material adverse effect on the Issuer's ability to continue servicing the Digital Bonds. In a worst-case scenario, such changes could render the Issuer's business non-compliant with applicable laws or regulations in a manner which cannot be remedied. Therefore, it cannot be ruled out that negative effects of a change in the regulatory environment will result in the Issuer no longer being able to continue its business operations legally or economically and having to discontinue them in whole or in part. In the event that a regulator finds that the Issuer is in breach of any applicable laws or regulations and orders the Issuer to cease its operations, the Issuer may exercise its right to effect an early termination of the Digital Bonds, which could result in Holders receiving less than the face amount payable on the Digital Bonds and would give rise to potential re-investment risks.

Regulatory Risk

The Digital Bonds the subject of this Offering Memorandum are transferable financial instruments (debt instruments) in the form of debt securities. They do not, nor do the Digital Bond Tokens or the Bond Token Receipts, qualify as units of a collective investment in transferable securities according to the provisions of Directive 2009/65/EC of the European Parliament and of the Council (the "**UCITS Directive**") as implemented in Member States of the European Union or as applied in the United Kingdom or equivalent rules in other jurisdictions and are not registered thereunder. Therefore, neither the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) nor the Issuer are governed by the UCITS Directive or supervised by any competent authorities thereunder. Accordingly, Holders do not have the benefit of the specific investor protection provided under the UCITS Directive or equivalent legislation in any jurisdiction. Investors should be aware that they are, among others, exposed to the credit risk of the Issuer and that the collateralization of the Digital Bonds does not fully eliminate this risk. Potential changes in regulatory requirements for the Digital Bonds (including the Digital Bond Tokens, the Bond Token Vault and the Bond Token Receipts) and/or the Issuer may lead to limitations in and/or termination of the Digital Bonds and/or the Bond Token Vault.

Investment in Digital Bonds may not be legal for all investors

None of the Issuer, the Arranger, the Tokenizer, the Security Agent or any Affiliate of such Persons makes any representation as to the proper characterization of the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) for legal investment or other purposes, as to the ability of particular investors to purchase the Digital Bonds for legal investment or other purposes or as to the ability of particular investors to purchase Digital Bonds under applicable investment restrictions. All investors should review and consider such restrictions prior to investing in the Digital Bonds. Institutions, the investment activities of which are subject to legal investment laws and regulations, regulatory capital requirements or review or regulation by regulatory authorities may be subject to restrictions on investments in certain types of debt securities, including the Digital Bonds. Such institutions should consult their own legal advisors or regulators in determining whether and to what extent the Digital Bonds are subject to investment, capital or other restrictions and the appropriate treatment of the Digital Bonds under any applicable risk-based capital or similar rules. The uncertainties described above (and any unfavourable future determinations concerning legal investment or financial institution regulatory characteristics of the Digital Bonds) may affect the liquidity of the Digital Bonds.

AML, ATF and Sanctions Compliance

Many jurisdictions have adopted wide-ranging anti-money laundering, economic and trade sanctions, and anti-corruption and anti-bribery laws, and regulations (collectively, the "**Compliance Requirements**"). Any of the Issuer, the Tokenizer (acting on its own behalf or on behalf of the Custodian, any Paying Agent

or the Security Agent) could be requested or required to obtain certain assurances from prospective investors and/or Holders of the Digital Bonds intending to purchase Securities and to retain such information or to disclose information pertaining to them to governmental, regulatory or other authorities or to financial intermediaries engage in due diligence or take other related actions in the future. Holders are deemed in accordance with the Holder Acknowledgements set out in Condition 6)j) (*Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria – Holder Acknowledgements*) to consent to any such disclosure to the extent required to be made by the Issuer or its Service Providers.

It is expected that the Issuer, the Tokenizer, the Custodian, any Paying Agent and the Security Agent will comply with any Compliance Requirements to which they are or may become subject and to interpret such requirements broadly in favour of disclosure. Failure to honour any request by the Issuer or the Tokenizer to provide requested information or take such other actions as may be necessary or advisable for the Issuer, the Tokenizer, the Custodian any Paying Agent or the Security Agent to comply with any Compliance Requirements, related legal process or appropriate requests (whether formal or informal) may result in, among other things, a forced sale to another investor of such investor's Digital Bonds, the inclusion or maintenance of the digital wallet address of the Holder on the Digital Wallet Blacklist or the withholding of any payment otherwise due to the Holder pursuant to the Conditions of the Digital Bonds. In addition, each of the Issuer, the Tokenizer, the Custodian, any Paying Agent and the Security Agent intends to take all steps as each of them may consider appropriate in order to comply with applicable anti-money laundering and anti-terrorism, economic and trade sanctions, and anti-corruption or anti-bribery laws, and regulations of the United States and other countries and will disclose any information required or requested by authorities in connection therewith.

Specifically, each of PV01 Capital Markets Ltd. and Digital Bonds Ltd, as a licensed entity under the Bermuda Digital Asset Business Act 2018 ("**DABA**") is required to comply with the applicable anti-money laundering ("**AML**"), anti-terrorist financing ("**ATF**") and sanctions legislation and regulations in Bermuda, including, without limitation:

- the Proceeds of Crime Act 1997;
- the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing) Regulations 2008 (the "**POC Regulations**");
- the Proceeds of Crime (Anti-Money Laundering and Anti-Terrorist Financing Supervision and Enforcement) Act 2008 (the "**POC Law**");
- the Anti-Terrorism (Financial and Other Measures) Act 2004 (the "**Anti-Terrorism Law**");
- the Guidance Notes for Anti-Money Laundering and Anti-Terrorist Financing (AML/ATF) Regulated Financial Institutions on AML/ATF (including the sector specific Guidance Notes for Digital Assets Business);
- the Ministry of Legal Affairs Financial Sanctions Implementation Unit (FSIU) General Guidance for Financial Sanctions – September 2021;
- the International Sanctions Act 2003; and
- the International Sanctions Regulations 2013

Accordingly, each of the Issuer and the Tokenizer is responsible for developing and maintaining internal compliance policies and procedures and conducting know-your-customer ("**KYC**"), identification and verification (including ultimate beneficial ownership and source of wealth and funds) procedures with respect to its customers (including, without limitation, potential investors and Holders of the Digital Bonds) in accordance with the above AML, ATF and sanctions legislation and regulations in Bermuda.

The POC Law and the POC Regulations apply to anyone conducting "relevant financial business" in or from Bermuda intending to form a business relationship or carry out a one-off transaction. The POC Regulations require a financial service provider to maintain certain anti-money laundering procedures including those for the purposes of verifying the identity and source of funds of an "applicant for business"; e.g. an investor, as well as the identity of the beneficial owner/controller of the investor, where applicable. Except in certain circumstances, including where an entity is regulated by a recognised overseas regulatory authority and/or

listed on a recognised stock exchange in an approved jurisdiction, the Issuer, or its agent, will likely be required to verify each investor's identity and may be required to verify the source of the payment used by such investor in a manner similar to the obligations imposed under the laws of other major financial centres. Application of an identity verification exemption at the time of purchase of the Digital Bonds may nevertheless require verification of identity prior to payment of proceeds from the Digital Bonds.

In addition, if any person in Bermuda knows or suspects, or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering, or is involved with terrorism or terrorist financing and property, and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to the relevant authorities in Bermuda.

If the Issuer were determined by the Bermuda authorities to be in violation of the POC Law, the Anti-Terrorism Law or the POC Regulations, the Issuer could be subject to substantial criminal penalties and/or administrative fines. The Issuer may be subject to similar restrictions in other jurisdictions. Such a violation could materially adversely affect the timing and amounts of payments by the Issuer to the holders of the Digital Bonds.

The Issuer has outsourced the implementation of its compliance policies and performance of its compliance procedures to PV01. In its capacity as Tokenizer for the Issuer, PV01 conducts Investor Screening procedures on behalf of the Issuer in relation to direct investors upon issuance of the Digital Bonds and in relation to each Holder prior to any payment being made to such Holder under the Digital Bonds, whether upon any early termination or early redemption or upon maturity of the Digital Bonds or in connection with the distribution of the proceeds of realization of the Collateral following any enforcement of the Security. Such procedures include obtaining information and documentation for purposes of KYC, AML, ATF and sanctions verification, client categorisation and other matters to confirm that the potential investor or Holder is eligible in accordance with the Sanctions Restrictions and the Selling Restrictions and otherwise meets all eligibility requirements to invest in, hold and receive payments under the Digital Bonds. The Issuer is therefore dependent upon the Tokenizer to ensure its own compliance with the AML, ATF and sanctions legislation and regulations applicable to it and its activities in Bermuda.

The Bond Smart Contract is programmed to automatically reject:

(i) any attempted payment into the Bond Smart Contract or request for payment from the Bond Smart Contract which emanates from a digital wallet address in relation to which the relevant investor or Holder has not successfully completed Investor Screening procedures and whose digital wallet address has therefore not been added to the Tokenizer's Digital Wallet Whitelist; and

(ii) any attempted transfer of the Digital Bond Tokens to or from a digital wallet address appearing on the Sanctions Blacklist maintained by Chainalysis or the Digital Wallet Blacklist maintained by the Tokenizer.

As a result, any investor or Holder whose digital wallet address is included on the Sanctions Blacklist or the Digital Wallet Blacklist will not be able to claim any payments under or receive or transfer the Digital Bond Tokens.

However, other than for purposes of making any payments due to Holders pursuant to the Conditions, neither the Issuer nor the Tokenizer will conduct any Investor Screening procedures in relation to purchasers of the Digital Bonds on the secondary market (including any transferees of the Digital Bond Tokens or Bond Token Receipts). Potential investors and Holders are therefore required to inform themselves about and to comply with all anti-money laundering, anti-terrorist financing and sanctions regulations as may be applicable to their purchase, holding and any transfer by them of the Digital Bonds.

In particular, Holders of the Digital Bonds are required and by acquiring any Digital Bonds will be deemed to have acknowledged and agreed to comply with the Selling Restrictions and the Sanctions Restrictions set out in this Offering Memorandum and in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions (together, the "**Transfer Restrictions**") including, without limitation, the prohibition against transfers of the Digital Bonds to U.S Persons or to retail investors (or the equivalent as defined under the local laws of the purchasing investor's jurisdiction) and the prohibition against any transfer of the Digital Bonds to or from any person or entity which is a Sanctions Target (as defined in paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) of the Conditions. However, the Issuer and the Tokenizer have minimal influence on the compliance by Holders and third-party investors with such requirements. As such, the Issuer and the Tokenizer are reliant upon compliance by such Holders and potential investors of the Digital Bonds with the Selling Restrictions and the Sanctions Restrictions.

While the Tokenizer takes reasonable efforts to establish and verify counterparty identities, to understand the nature of counterparties and customer activities, and tries to ascertain the legitimacy of counterparty funds, where possible, there is a risk that an investor purchasing the Digital Bonds on secondary markets will not meet such KYC requirements, which may result in breaches of applicable Sanctions and/or Anti-Money Laundering or Anti-Terrorist Financing Regulations (each as defined in the Conditions) or any other similar legislation that may apply in other jurisdictions, resulting in potential fines and other penalties and could have a material adverse effect on the business and reputation of both the Tokenizer and the Issuer.

Furthermore, there are stringent rules concerning tokenized securities among crypto service providers, such as crypto platforms, administrators and custodians. Any breach of compliance processes of such service providers could have a material adverse effect on the Issuer's and/or the Tokenizer's core business and reputation or the Issuer's ability to service the Digital Bonds.

Other Laws, Rules and Regulations

The Issuer, the Tokenizer and the other Service Providers are subject to various other securities and similar laws, rules and regulations of any applicable jurisdiction that could limit some aspects of the Issuer's operations or subject the Issuer or the Tokenizer to the risk of sanctions for noncompliance.

No U.S. legal or regulatory advice

Neither the Issuer nor the Tokenizer has obtained the advice of U.S. counsel in relation to any legal or regulatory matters under U.S. law in connection with the regulatory status, issuance or offering of the Digital Bonds or any other activities conducted by the Issuer or the Tokenizer, including with respect to any federal or state securities laws applicable to the Digital Bonds or their distribution.

Although the Issuer and the Tokenizer have taken appropriate steps through the Investor Screening process and the Selling Restrictions to ensure that the offering of the Digital Bonds is conducted entirely offshore in accordance with Regulation S under the Securities Act and to prevent the purchase of Digital Bonds by or secondary transfers of Digital Bonds to any U.S. Person (as defined in Regulation S), the Issuer and the Tokenizer have no control over transfers of the Digital Bond Tokens or the Bond Token Receipts in the secondary market and the Issuer and the Tokenizer are therefore dependent upon the Holders for compliance with such Selling Restrictions.

There can be no assurance that the issuance and offering of the Digital Bonds is fully compliant with applicable U.S. laws and/or regulations or that a U.S. authority, including, but not limited to the United States Securities and Exchange Commission, will not determine that it has jurisdiction over the Issuer and/or the Tokenizer and/or the Digital Bonds and that the issuance and/or the offering of the Digital Bonds has been conducted in violation of any U.S. laws and/or regulations, including, without limitation, as a result of a U.S. Person becoming a Holder of the Digital Bonds as part of their primary distribution or on a secondary transfer. Any such determination could result in the Issuer and/or the Tokenizer becoming the subject of proceedings at the instance of U.S. regulators and could expose either of them to substantial

penalties, administrative fines and other sanctions, which could have a material adverse impact on the Issuer and/or the Tokenizer. In addition, if either of the Issuer or the Tokenizer is required by an order of a regulatory authority or as a result of such penalties, fines or sanctions to cease its operations, the Issuer will be entitled to effect an early termination of the Digital Bonds.

Investors should seek their own U.S. legal and regulatory advice with respect to the purchase, holding, receipt of payments under and/or sale of the Digital Bonds, the Digital Bond Tokens and the Bond Vault Receipts to ensure their compliance with any applicable U.S. laws and regulations as well as the tax treatment of such activities under U.S. law in light of their own circumstances.

No tax advice

Neither the Issuer nor the Tokenizer has obtained the advice of counsel in relation to the tax status or tax treatment of the Issuer or the Digital Bonds under the laws of any jurisdiction other than Bermuda.

Investors should seek their own advice with respect to such matters and with respect to the tax implications of the purchase, holding, receipt of payments under and/or sale or other disposition of the Digital Bonds, the Digital Bond Tokens and the Bond Token Receipts under applicable laws in light of their own circumstances.

U.S. Tax Considerations

The Digital Bonds are expected to be treated as debt for U.S. federal income tax purposes, though no assurance can be provided in this regard. The Digital Bonds will only be issued to, and are intended to only be beneficially owned by, persons that are not United States persons as defined under Regulation S, however, no advice has been sought by the Issuer or the Tokenizer nor has any analysis been conducted to determine whether such persons are or are not United States persons for U.S. federal income tax purposes.

Any United States person who holds any Digital Bonds will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code. For beneficial owners that are not United States persons for U.S. federal income tax purposes, interest on the Digital Bonds is not expected to be eligible for the portfolio interest exemption from U.S. federal withholding taxes, and thus, if the Issuer is treated as being engaged in a trade or business in the United States, interest on the Digital Bonds is expected to be subject to a 30% rate of U.S. federal withholding taxes, which may be reduced or eliminated by an applicable tax treaty. The Issuer intends to not be treated as being engaged in a trade or business in the United States, but no assurance can be provided that it will not be so treated.

Registration Exemption under the U.S. Securities Act

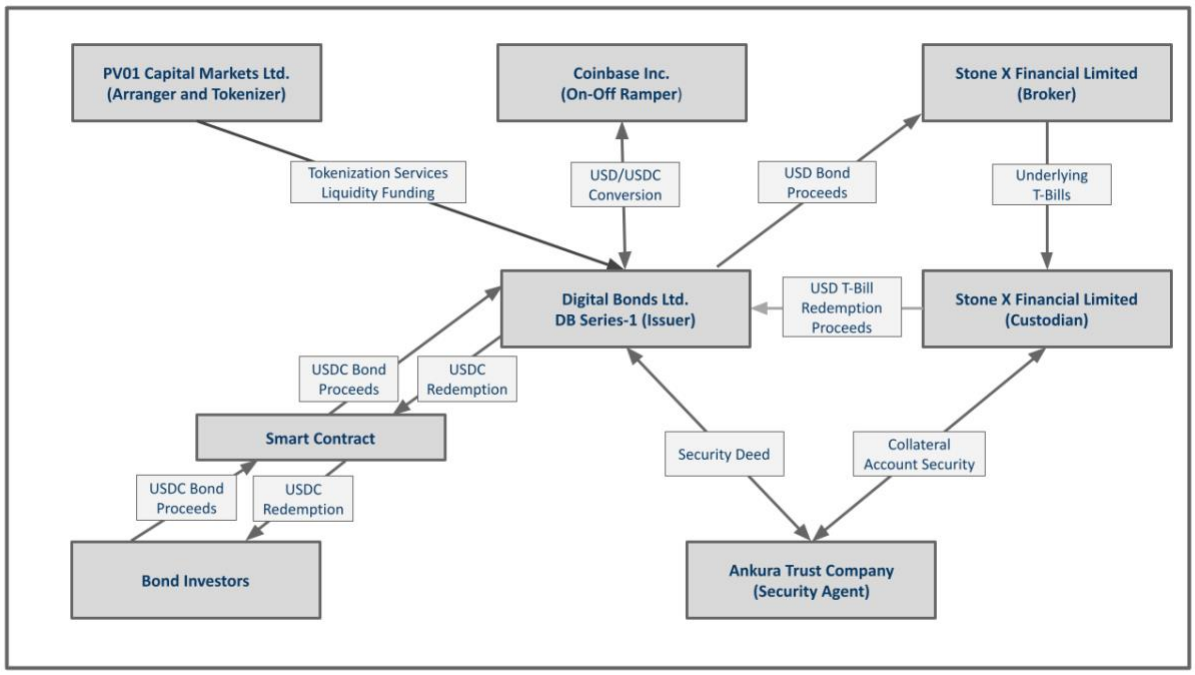
The Digital Bonds will be offered and sold by the Issuer only outside of the United States to non-U.S. Persons under the exemption provided by Regulation S of the U.S. Securities Act. Accordingly, the Digital Bonds will only be offered and sold to potential investors and Holders that are not "U.S. Persons" within the meaning of Rule 902 of Regulation S under the Securities Act.

While the Issuer believes reliance on such exemption is justified, it has not sought the advice of U.S. legal counsel in this regard and there can be no assurance that factors such as the manner in which offers and sales are made or changes in applicable laws, regulations, or interpretations will not cause the Issuer to fail to qualify for such exemptions under U.S. federal and/or one or more U.S. states' laws. Failure to so qualify could result in potentially materially and adversely affecting the Issuer's and/or the Arranger's performance and business. Further, even non-meritorious claims that offers and sales of the Digital Bonds were not made in compliance with applicable securities laws could materially and adversely affect the Issuer's and/or the Arranger's performance and business.

U.S. Investment Company Regulation

The Issuer believes that it is not an investment company within the meaning of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and will therefore not be registered as such under the Investment Company Act. Consequently, Holders will not be afforded the protections of the Investment Company Act. While the Issuer believes that such view is justified, it has not sought the advice of U.S. counsel in this regard and there can be no assurance that factors such as the manner in which the Issuer makes investment or otherwise operates, or changes in applicable laws, rules, regulations, or interpretations or enforcement thereof, will not cause the Issuer to be treated as or to become treated as an investment company under the Investment Company Act. If the Issuer were required to be registered as an investment company, compliance provisions under the Investment Company Act could significantly increase the Issuer's operating expenses and possibly limit the Issuer's business activities. In addition, the Issuer could become subject to legal actions by the SEC and other regulators and the Issuer could be forced to terminate its business under adverse circumstances. If the Issuer is required to cease its operations, the Issuer will be entitled to effect an early termination of the Digital Bonds.

Transaction Structure Diagram



Transaction Parties and Transaction Documents

The Issuer

The segregated account of Digital Bonds Ltd designated as "**DB Series-11**" is the Issuer of the Digital Bonds. See "*Description of the Issuer*" below.

Deed Poll

The Issuer shall enter into a Deed Poll on 7 January 2025 for the benefit of the Holders (as defined in the Conditions) of the Digital Bonds from time to time, which Deed Poll includes provisions constituting the Digital Bonds and providing for the Issuer's obligations under the Digital Bonds, including the Issuer's covenant to pay and incorporating the Conditions (as amended, restated and/or supplemented from time to time, the "**Deed Poll**").

The principal amount of the Digital Bonds to be issued pursuant to the Deed Poll (including, for the avoidance of doubt, the Digital Bonds issued on the Issue Date and any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*) is limited to USDC 25,000,000.

The Deed Poll provides that the Digital Bonds will be represented by the Digital Bond Tokens, which themselves will be created by an ERC-20 smart contract on the DLT having the functionalities set out in Condition 28) (*Bond Smart Contract Functionalities*) for the issuance and transfer of the Digital Bond Tokens on the DLT and the automated payment and redemption mechanisms of the Digital Bonds, which smart contract is deployed at the DLT address:

https://etherscan.io/address/0x1A4cFD8fc52FF3F4e66B18f4d355ad6a5111f2e6

(the "**Bond Smart Contract**").

The Deed Poll provides that an ERC-4626 smart contract created on the DLT, having the functionalities set out in Condition 29) (*Bond Token Vault Smart Contract Functionalities*) shall implement the provisions of the Deed Poll (including the Conditions) related to the Automatic Rollover Subscription Option and the operation of the Bond Token Vault, including the minting, delivery, redemption, withdrawal and transfer of the Bond Token Receipts, which smart contract is deployed at the DLT address:

https://etherscan.io/token/0x526Be1c610616be0e8e69893fC6766FddfBaDA61

(the "**Bond Token Vault Smart Contract**").

The Digital Bonds are held subject to and have the benefit of the provisions of the Deed Poll, including the Conditions as amended, restated and/or supplemented from time to time.

A link to a web address where an immutable executed original of the Deed Poll, together with the Arrangement and Tokenization Services Agreement (together, the "**Available Documents**") can be viewed is included in the Bond Smart Contract and instructions for Receiptholders to access such documents in respect of the Vault Series from time to time are included in the Bond Token Vault Smart Contract. The Issuer (or the Tokenizer on its behalf) may not amend or substitute the Deed Poll (including the Conditions) or the other Available Documents other than in accordance with the Conditions or the terms of such Available Documents. The Issuer also publishes the latest version of the Deed Poll on the Pivio Platform:

www.pv0.one (accessible only to potential investors or Holders using credentials provided by the Tokenizer). The Deed Poll is governed by English law.

Arranger and Tokenizer

PV01 Capital Markets Ltd ("**PV01**", the "**Arranger**" and the "**Tokenizer**"), a company incorporated under the laws of Bermuda with company number 202302581 with its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda, provides arranger services in respect of the digital asset issuance transactions conducted by Digital Bonds Ltd (acting through its segregated accounts) pursuant to an arranger agreement between Digital Bonds Ltd (acting in respect of its general account) and PV01 dated 14 March 2024 (the "**Arranger Agreement**") and provides arrangement and tokenization services to the Issuer in respect of the issuance of the Digital Bonds, pursuant to an arrangement and tokenization services agreement between the Issuer, PV01 as Arranger and Tokenizer and the Security Agent dated 7 January 2025 (the "**Arrangement and Tokenization Services Agreement**").

PV01 holds a Class T licence issued by the Bermuda Market Authority's Fintech Authorization and Licensing Committee (the "**FALC**") to operate a Digital Asset Business, in accordance with the business plan presented by it to the BMA (the "**Business Plan**"), pursuant to Section 10 paragraph 2 of the Digital Asset Business Act (2018) of Bermuda (the "**DABA**") in the following categories of activity: (i) to operate as a digital asset services vendor; and (ii) providing custodial wallet services.

PV01 operates as a digital asset services vendor (including as a broker-dealer and market maker) in respect of blockchain native debt claims represented by digital tokens. The primary business of PV01 is the arrangement of digital asset issuances on behalf of issuers and engaging with investors and counterparties. PV01 has the necessary tools, technology, and expertise to tokenize digital assets on the blockchain or distributed ledger technology platform.

See further "*Description of the Arranger and Tokenizer*" below.

Arranger Agreement

The Arranger Agreement governs the provision by PV01 in its capacity as Arranger of ongoing arrangement services to Digital Bonds Ltd (acting in respect of its general account) ("**DBL**") in connection with the issuance of digital bonds through the segregated accounts of Digital Bonds Ltd. The Issuer is not a party to the Arranger Agreement.

The services provided by the Arranger to DBL under the Arranger Agreement include:

- designing, developing and operating the PV01 website, the Pivio Platform and an administration platform for the segregated accounts of Digital Bonds Ltd (including the Issuer) to oversee the status of the digital bonds issued by them and the market;
- developing and deploying the required blockchain smart contract(s) and conducting or engaging third parties to conduct security audits of such blockchain smart contracts;
- conducting marketing and investor relations activities in relation to the digital assets business of Digital Bonds Ltd;
- providing ongoing technological support in relation to the DLT;
- overseeing the security of the blockchain and server systems;
- development and implementation of the Investor Screening procedures;
- providing technical advice and support as and when required in connection with the conduct of the digital asset issuance business of Digital Bonds Ltd;
- assisting with obtaining, maintaining and ensuring compliance with the conditions of Digital Bonds Ltd's DABA licence;
- managing communications with the BMA on behalf of Digital Bonds Ltd;
- developing Digital Bonds Ltd's internal compliance policies and procedures;

- providing a Chief Compliance Officer for Digital Bonds Ltd; and
- engaging and liaising with all service providers to Digital Bonds Ltd.

In addition, PV01 in its capacity as Arranger has undertaken to provide liquidity support to DBL by undertaking to pay or put DBL in funds to pay all of DBL's ongoing operational expenses, including:

- any statutory and/or governmental taxes or fees;
- the ongoing fees, charges or other amounts payable to the Corporate Services Provider, the Share Trustee, the SAC Representative, the external legal advisors, accountants/auditors, banking and financial services providers and any other advisors or service providers to Digital Bonds Ltd; and
- the ongoing fees, charges or other amounts payable to the Broker, the Custodian, the Security Agent, the On-Off Ramper, any Wallet Provider, any Paying Agent and any other service providers engaged by DBL,

in each case to the extent such fees, charges or other amounts are payable by or attributed to Digital Bonds Ltd (acting in respect of its general account), as and when they become due.

The Arranger is permitted to perform its services with the assistance of its affiliates or to delegate the performance of any of such services to third parties, provided that the Arranger shall remain fully responsible for the delivery of such performance of its obligations in accordance with the Arranger Agreement and in compliance with all applicable legal and regulatory requirements and DBL shall not be liable for any service fees or other amounts payable to such affiliates or third parties.

The Arranger is responsible for all expenses incurred by it in the performance of its obligations as Arranger (including any fees and expenses incurred by any affiliate or third party to which the Arranger delegates the performance of any such services).

DBL has authorised the Arranger to give any required instructions and to take all such other steps as required on behalf of DBL in order to perform any and all of the transactions required for the performance of the Arranger Services, including (where applicable) the authority to approve and instruct any and all transactions (including payments, transfers, withdrawals, deliveries and receipts of currency (fiat and digital), securities and digital assets to and from all digital wallets, bank, currency and transaction accounts (fiat and digital) in the name of DBL.

DBL, as the client of record under the Brokerage and Custody Agreement, has also granted a specific power of attorney to the Arranger give instructions to the Broker and Custodian with respect to securities transactions and any payments, withdrawals and/or transfers to and from DBL's accounts with the Broker and Custodian on DBL's behalf. (See "*Brokerage and Custody Agreement*" below).

PV01 has undertaken in the Arranger Agreement to exercise the authorities granted to it by DBL in good faith, solely for the purposes for which they have been granted and in accordance with all applicable legislative and regulatory requirements and the terms and conditions of its own DABA licence.

The Arranger has undertaken that it shall perform its services as Arranger with due care and in accordance with industry best practices. The Arranger has also undertaken that it shall use its best efforts to ensure compliance with all applicable laws and regulations related to the issuance, offering, distribution and management of the Digital Bonds.

In exchange for its services as Arranger under the Arranger Agreement, PV01 in its capacity as Tokenizer is entitled to a fee from the Issuer, payable out of the proceeds of issuance of the Digital Bonds in accordance with the Arrangement and Tokenization Services Agreement.

The Arranger Agreement will remain in effect from the Effective Date until terminated by mutual agreement or otherwise. Either party may terminate the Arranger Agreement at any time upon 30 days prior written notice to the other party or with immediate effect in the event of a material breach by the other party of its obligations thereunder, which breach has not been remedied within 15 days following receipt by such party of notice of such breach. However, no termination of the Arranger Agreement by the Arranger shall be permitted at any time during which any digital assets issued by Digital Bonds Ltd (including for the avoidance of doubt, the Digital Bonds) are outstanding unless a replacement arranger has been appointed by DBL prior to the effective date of such termination. If DBL has failed to appoint a replacement arranger on substantially the same terms within 30 days of a termination notice being given by the Arranger, the Arranger shall be entitled to appoint a successor arranger for DBL, provided that such successor has the necessary qualifications and meets all regulatory authorization, licensing and registration requirements to perform the services of the Arranger in Bermuda.

Limited Recourse and Non-Petition

The Arranger has agreed and acknowledged that in respect of DBL's obligations under the Arranger Agreement, there shall only be recourse to the assets linked to the general account of Digital Bonds Ltd and that (except where all relevant parties, including Digital Bonds Ltd, may expressly agree otherwise, and in accordance with the provisions of Section 17A of the SAC Act) in the event of the exhaustion of the assets linked to the general account of Digital Bonds Ltd, there shall be no recourse by the Arranger to the assets which are linked to any segregated account (as that term is defined in the SAC Act) established by Digital Bonds Ltd (including the Issuer) and that there is no obligation whatsoever for Digital Bonds Ltd to use any of its property or assets, other than the assets linked to its general account, to satisfy any claim in the event of the exhaustion of the assets linked to the general account. If such assets linked to the general account are insufficient to meet all obligations, any such obligations remaining after the application of such proceeds shall be extinguished.

No recourse shall be had against any officer, director, employee, shareholder, independent contractor, member, manager, authorized person or incorporator of Digital Bonds Ltd for any amounts payable under the Arranger Agreement.

The Arranger has further agreed that it shall not, prior to the date which is one year (or if longer, any applicable preference period) and one day after the payment in full of all obligations in respect of any digital assets issued by the segregated accounts of Digital Bonds Ltd (including the Issuer), institute against, or join any other Person in instituting against, DBL any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium, receivership or liquidation proceedings, or other proceedings under the laws of Bermuda or equivalent proceedings under the laws of any other jurisdiction.

The Arranger Agreement, including any non-contractual obligations arising out of or in connection therewith, is governed by English law.

Arrangement and Tokenization Services Agreement

The Arrangement and Tokenization Services Agreement governs the provision by PV01 in its capacities as Arranger and Tokenizer of arrangement and tokenization services to the Issuer in respect of the Digital Bonds.

The Security Agent is a party to the Arrangement and Tokenization Services Agreement for the better preservation and enforcement of its rights thereunder but does not assume any obligations or liabilities to the Issuer, the Arranger or the Tokenizer.

Arrangement Services

The services of the Arranger in connection with the Digital Bonds include (the "**Arrangement Services**"):

- determining the structure, terms (including as to pricing, issue size, interest provisions, maturity, collateral) of the issuance of the Digital Bonds and the fees payable to the Issuer, the Arranger, the Tokenizer and other parties involved in the issuance);
- conducting marketing and investor communications on behalf of the Issuer;
- assisting with the preparation of statutory and regulatory filings, registrations and/or declarations required to be made by the Issuer in connection with the issuance and offering of the Digital Bonds (including, without limitation, producing the required notification of the issuance to the BMA pursuant to the DAIA and providing all information regarding the issuance as required by the BMA pursuant to the conditions of Digital Bonds Ltd's DABA licence);
- managing the book-building and pricing/allocation process of the Digital Bonds and liaising with potential investors and Holders;
- engaging and liaising on the Issuer's behalf with all service providers to the Issuer (including the Broker, the Custodian, the Security Agent and the On-Off Ramper) and external legal advisors;
- assisting with the preparation and negotiation on behalf of the Issuer of the transaction documentation for the issuance, including the offering memorandum in preliminary and final form, any supplemental offering memoranda and any marketing materials, investor communications and one-pagers/term sheets to be used in connection with the offering of the Digital Bonds and agreements with service providers;
- assisting with the selection of the Underlying T-bills to be acquired by the Issuer with the proceeds of the Digital Bonds and to serve as collateral for the Issuer's obligations thereunder;
- conducting any due diligence required in connection with the selection and appointment of Service Providers to the Issuer and the Underlying T-bills that are to be acquired by the Issuer; and
- any other services incidental to the foregoing as may reasonably be required by the Issuer in connection with the offering of the Digital Bonds.

The Arranger is permitted to perform the Arrangement Services with the assistance of its affiliates or to delegate the performance of any of the Arrangement Services to third parties, provided that the Arranger remains fully responsible for the delivery of such services in accordance with the Arrangement and Tokenization Services Agreement and in compliance with all applicable legal and regulatory requirements and the Issuer is not liable for any service fees or other amounts payable to such affiliates or third parties.

The Arranger has undertaken that it shall perform the Arrangement Services with due care and in accordance with industry best practices. The Arranger has also undertaken that it shall use its best efforts to ensure compliance with all applicable laws and regulations related to the issuance, offering, distribution and management of the Digital Bonds. The Arranger has undertaken to exercise the authorities granted to it by the Issuer in good faith, solely for the purposes for which they have been granted and in accordance with the Deed Poll (including the Conditions), the Security Deed and the other Transaction Documents, all applicable legislative and regulatory requirements and the terms and conditions of its own DABA licence.

Tokenisation Services

Tokenization is understood to mean the legal linking of a transferable obligation (such as a debt obligation) with a digital token, on the basis of which this legal obligation can be asserted and transferred exclusively by the person with possession of the token over the distributed ledger/blockchain. Tokens can be described as data or information units stored in a register based on distributed ledger technology or "the blockchain".

Under English law, tokenization of the Issuer's obligations under the Digital Bonds is being achieved by directly creating and issuing the Digital Bond Tokens on the blockchain and through the execution by the Issuer of the Deed Poll, pursuant to which the Issuer's obligations under the Conditions of the Digital Bonds

are 'attached' to the Digital Bond Tokens and the Bond Token Receipts and implemented by the Bond Smart Contract and the Bond Token Vault Smart Contract.

The services of the Tokenizer in connection with the Digital Bonds include (the "**Tokenization Services**"):

- provision of the technology required for the issuance, including the updating, customization and maintenance of the Pivio Platform, customization, deployment and updating of the Bond Smart Contract and the Bond Token Vault Smart Contract;
- conducting or arranging for security audits of the Bond Smart Contract and the Bond Token Vault Smart Contract;
- providing ongoing technical support and monitoring the security of the DLT and server systems;
- monitoring the performance of the Bond Token Vault Smart Contract to ensure that the Bond Token Vault performs all relevant processes in connection with the Bond Token Receipts and Rollover Settlements in accordance with the Conditions;
- customizing and conducting the Investor Screening procedures;
- supporting the registration and onboarding of potential investors and Holders onto the Pivio Platform;
- maintaining the Digital Wallet Whitelist and the Digital Wallet Blacklist;
- instructing the Broker and Custodian with respect to the purchase (and, as applicable, the sale) and custody of the Underlying T-bills on the Issuer's behalf;
- making arrangements for the placement of subscription orders, creation of Funding Commitments and the settlement of any Digital Bonds issued during any Additional Issuance Settlement Window;
- making arrangements for the acceptance by the Issuer of any requests for partial early redemptions and the settlement of any such partial early redemptions;
- providing or procuring that the Custodian shall provide to the Security Agent current statements of account in respect of the Collateral Accounts in connection with the issuance of Digital Bonds during an Additional Issuance Settlement Window or any partial early redemption of Digital Bonds;
- operation of the Issuer's digital wallets and accounts with Fireblocks and the On-Off Ramper and its fiat account with BCB;
- exercising the Bond Smart Contract Functions and the Bond Token Vault Smart Contract Functions in accordance with the Conditions;
- making, exercising or performing on the Issuer's behalf any and all decisions, discretions, determinations, calculations, the giving of notices and any other actions contemplated to be taken or exercised by the Tokenizer on behalf of the Issuer pursuant to the Conditions;
- providing instructions to the Security Agent with respect to the Collateral and the enforcement of the Security as contemplated by the Conditions and the Holder Instructions;
- assisting the Issuer in complying with its obligations under the Conditions of the Digital Bonds, the Deed Poll and the other Transaction Documents and curing any breaches;
- provision of funding to the Issuer in respect of the Issuer Fees and Expenses and ensuring timely payment by or on behalf of the Issuer of all such fees and expenses (including, without limitation, any statutory and/or governmental taxes or fees, the fees, expenses and other amounts (including any indemnities) payable to the Security Agent, the Broker, the Custodian, the On-Off Ramper, each Wallet Provider and any Paying Agent as well as any ongoing fees, charges or other amounts payable to the Corporate Services Provider, the Share Trustee, the SAC Representative, the external legal advisors, accountants/auditors and any other advisors (to the extent such amounts are payable by or attributed to the Issuer);
- providing any funds required to cover the amount of any T-bill Purchase Shortfall (as defined in Condition 7)a)ix) (*Primary Issuance Process*), whether on the Issue Date or in

connection with any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process - Additional Issuance Settlement Windows*) and/or any T-bill Sale Shortfall (as defined in Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*) in connection with a Partial Early Redemption in accordance with Condition 12)d) (*Partial Early Redemption*);

- ensuring that all digital wallets, fiat and crypto accounts of the Issuer, the Bond Smart Contract and the Bond Token Vault Smart Contract are sufficiently funded at all times to cover any gas, transaction, wire transfer or other fees payable by the Issuer in connection with the use of such accounts; and
- all other technological services incidental to the foregoing as may reasonably be required in connection with the issuance and maintenance of the Digital Bonds.

The Tokenizer will be responsible for operating the Issuer's digital wallet with Fireblocks and its fiat and crypto currency and transaction accounts with the On-Off Ramper on the Issuer's behalf.

The Issuer has authorized DBL, as client of record under the Brokerage and Custody Agreement, to give instructions to the Broker and Custodian with respect to the purchase and sale of the Underlying T-bills and any payments, withdrawals and/or transfers to and from the Collateral Accounts on the Issuer's behalf. DBL has delegated such authorization to the Tokenizer.

The Tokenizer has the limited technical ability to update the implementation of each of the Bond Smart Contract and the Bond Token Vault Smart Contract once they have been deployed. Only certain non-immutable data in the Bond Smart Contract and the Bond Token Vault Smart Contract can be modified within predefined parameters, subject always to the Deed Poll (including the Conditions). The Tokenizer also has the ability to perform certain administrative functions on behalf of the Issuer through the exercise of the Bond Smart Contract Functionalities and Bond Token Vault Smart Contract Functionalities, subject to always to the Deed Poll and the Conditions. To that end, the Tokenizer uses an internal multi-signature system with an appropriate governance structure.

The Tokenizer also has the ability to exercise (on behalf of the Issuer) a fallback procedure to remove any unclaimed funds from the Bond Smart Contract after closing of any relevant Payment Window in respect of the Digital Bonds (whether at maturity or on any early termination or early redemption). That manual procedure is referred to as 'sweeping'. The Tokenizer is able to perform this action through a permission afforded to it (and it only) in the Bond Smart Contract.

The Tokenizer is permitted to perform the Tokenization Services with the assistance of its affiliates or to delegate the performance of any of the Tokenization Services to third parties, provided that the Tokenizer remains fully responsible for the delivery of such services in accordance with the Arrangement and Tokenization Services Agreement and in compliance with all applicable legal and regulatory requirements and the Issuer is not liable for any service fees or other amounts payable to such affiliates or third parties.

If at any time following the Security granted by the Issuer for its obligations in connection with the Digital Bonds becoming enforceable, the Security Agent requires any of the Tokenization Services to be performed (including, without limitation, the payment of any Issuer Fees and Expenses), the Tokenizer has undertaken to duly and punctually provide such services in accordance with the Security Agent's instructions (itself acting in accordance with the Holder Instructions).

The Tokenizer has undertaken that it shall perform the Tokenization Services with due care and in accordance with industry best practices. The Tokenizer has also undertaken that it shall use its best efforts to ensure compliance with all applicable laws and regulations related to the issuance, offering, distribution and management of the Digital Bonds. The Tokenizer has undertaken to exercise the authorities granted to it by the Issuer in good faith, solely for the purposes for which they have been granted and in accordance

with the Deed Poll (including the Conditions), the Security Deed and the other Transaction Documents, all applicable legislative and regulatory requirements and the terms and conditions of its own DABA licence.

Upon the occurrence of a Realization Event, the Tokenizer has agreed that it shall exercise such authorities in accordance with the instructions of the Security Agent (itself acting in accordance with the Holder Instructions), where applicable. Where the Security Agent is unable to act in relation to the Collateral or the enforcement of the Security due to a lack of instructions from the Holders in the Holder Instructions, the Security Agent will be required (in accordance with the Holder Instructions) to act in accordance with instructions provided to it by the Tokenizer.

Fees and Expenses

Each of the Arranger and the Tokenizer is responsible for all expenses incurred by it in the performance of the Arrangement Services and the Tokenization Services, respectively (including any fees and expenses incurred by any affiliate or third party to which the Arranger or the Tokenizer delegates the performance of any such services).

In exchange for its services under the Arranger Agreement and the Arrangement and Tokenization Services Agreement, PV01 is entitled to a fee from the Issuer, payable out of the proceeds of issuance of the Digital Bonds (the "**Tokenization Services Fee**"). The USDC amount of such fee will be determined by the Tokenizer at the Pricing Time of the Digital Bonds as a percentage of the aggregate principal amount of the Digital Bonds and shall be deducted from the USDC proceeds of the Digital Bonds prior to the transfer of such proceeds to the Cash Collateral Account.

A separate Tokenization Services Fee, in such amount as is determined by the Tokenizer (which may be zero) and included in the Term Sheet produced in connection with such issuance, shall be payable to the Tokenizer in connection with each issuance of Digital Bonds during an Additional Issuance Settlement Window pursuant to Condition 7)f) (*Primary Issuance Process - Additional Issuance Settlement Windows*).

Termination

The Issuer may terminate the appointment of either the Arranger or the Tokenizer on 30 days' prior written notice or with immediate effect in the event of a material breach by the Arranger or the Tokenizer of its obligations under the Arrangement and Tokenization Services Agreement, which breach (if capable of remedy) has not been remedied within 15 days following notice of such breach being given by the Issuer.

The Arranger or the Tokenizer is permitted to resign its appointment at any time on 30 days' prior written notice to the Issuer or with immediate effect upon a material breach by the Issuer which has not been remedied within 15 days of notice.

In the event of any such termination or resignation of the appointment of the Arranger or the Tokenizer, the Arrangement and Tokenization Services Agreement will remain in place as between the other parties. However, no termination or resignation of the appointment of the Tokenizer shall be permitted at any time during which any Digital Bonds are outstanding unless a replacement tokenization services provider has been appointed by the Issuer prior to the effective date of such termination on substantially the same terms. If the Issuer has failed to appoint a replacement tokenization services provider within 30 days of a termination notice being given by the Tokenizer, the Tokenizer shall be entitled to appoint a successor tokenization services provider for the Issuer, provided that such successor has the necessary qualifications and meets all regulatory authorization, licensing and registration requirements in order to perform the Tokenization Services in Bermuda and is capable of providing all such services to at least the same standard as the Tokenizer.

Limited Recourse and Non-Petition

Each of the Arranger, the Tokenizer and the Security Agent has agreed and acknowledged that in respect of the Issuer's obligations under the Arrangement and Tokenization Services Agreement, there shall only be recourse to the assets linked to the Issuer and that (except where all relevant parties, including Digital Bonds Ltd, may expressly agree otherwise, and in accordance with the provisions of Section 17A of the SAC Act) in the event of the exhaustion of the assets linked to the Issuer, there shall be no recourse by the Arranger, the Tokenizer or the Security Agent to the assets which are linked to any other segregated account (as that term is defined in the SAC Act) established by Digital Bonds Ltd or to the general account of Digital Bonds Ltd and that there is no obligation whatsoever for Digital Bonds Ltd to use any of its property or assets, other than the assets linked to the Issuer, to satisfy any claim in the event of the exhaustion of the assets linked to Issuer. If such assets linked to the Issuer are insufficient to meet all obligations, any such obligations remaining after the application of such proceeds shall be extinguished.

No recourse shall be had against any officer, director, employee, shareholder, independent contractor, member, manager, authorized person or incorporator of the Issuer for any amounts payable under the Arrangement and Tokenization Services Agreement.

Each of the Arranger, the Tokenizer and the Security Agent has further agreed that it shall not, prior to the date which is one year (or if longer, any applicable preference period) and one day after the payment in full of all obligations of the Issuer under the Digital Bonds, institute against, or join any other Person in instituting against, the Issuer any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium, receivership or liquidation proceedings, or other proceedings under the laws of Bermuda or equivalent proceedings under the laws of any other jurisdiction.

Data Protection

Each of the Arranger and the Tokenizer have undertaken to implement robust security measures to protect the confidentiality, integrity, and availability of all data and information provided by the Issuer and customers accessing the Pivio Platform and to comply with all relevant data protection laws and regulations in connection with the performance of the Arrangement Services or the Tokenization Services.

Each of the Issuer, the Arranger and the Tokenizer have mutually agreed and undertaken to comply (and each of the Arranger and the Tokenizer has undertaken to ensure that any affiliate or third party to which it delegates the performance of any Arrangement Services or Tokenization Services (as applicable) shall comply) with all applicable laws and regulations relating to data protection and privacy in the performance of the Arrangement and Tokenization Services Agreement, including the applicable laws of the European Union, the United Kingdom and Bermuda, including, without limitation, the General Data Protection Regulation (EU) 2016/79 (the "**GDPR**"), the Personal Information Protection Act (2016) (as amended) of Bermuda (to the extent that such legislation is brought fully into force, which is currently intended to be on 1 January 2025), and all applicable laws and regulations relating to the processing of personal data and privacy in force from time to time, including any binding guidance and/or codes of practice issued by the relevant authorities. The Arranger and the Tokenizer have also undertaken to employ technical and organizational measures in compliance with Article 32 of the GDPR, their internal Information Security and Privacy policies and the highest market standards to ensure an appropriate level of security and privacy for all personal data received by them in connection with the performance of the Arrangement Services or the Tokenization Services (as applicable).

Governing Law

The Arrangement and Tokenization Services Agreement, including any non-contractual obligations arising out of or in connection therewith, is governed by English law.

The Broker and Custodian

The Financial Conduct Authority ("**FCA**")-regulated securities broker and licensed custodian providing brokerage and custody services to the Issuer in connection with the Digital Bonds is StoneX Financial Ltd., a private limited company incorporated in England and Wales with company number 056165865 and its registered office at Moor House, First Floor, 120 London Wall, London EC2Y 5ET ("**StoneX**", the "**Broker**" and the "**Custodian**").

StoneX, a wholly owned subsidiary of StoneX Group Inc., in its capacity as Broker will be responsible for sourcing the Underlying T-bills, selling them to and buying them from the Issuer, on the instructions of the Tokenizer and, upon the occurrence of a Realization Event and delivery of a Notice of Exclusive Control pursuant to the Securities Account Control Agreement, on the instructions of the Security Agent (acting in accordance with the Holder Instructions) (or the Tokenizer on the Security Agent's behalf) and in its capacity as Custodian, will be responsible for the provision of the Collateral Accounts for the Issuer for the custody and safekeeping of the Underlying T-bills and any related cash.

About StoneX Group Inc.

StoneX Group Inc. (NASDAQ: SNEX) ("**StoneX Group**") is an institutional-grade financial services franchise, offering advanced digital platforms, end-to-end clearing and execution services and global market expertise to its clients worldwide. Stone X Group's global headquarters are at 230 Park Avenue, 10th Floor, New York, NY 10169. Through its subsidiaries, operates a global financial services network that connects companies, organizations, traders and investors to the global market ecosystem through a unique blend of digital platforms, end-to-end clearing and execution services, high touch service and deep expertise. StoneX Group strives to be the one trusted partner to its clients, providing its network, product and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their business performance. A Fortune-500 company headquartered in New York City and listed on the Nasdaq Global Select Market, StoneX Group and its over 3,800 employees serve more than 54,000 commercial, institutional, and global payments clients, and more than 400,000 retail accounts, from more than 40 offices spread across five continents. Further information on StoneX Group is available at www.stonex.com.

Stone X is a licensed as a broker and custodian in the United Kingdom and in providing brokerage and custody services is subject to the oversight and supervision of the Financial Conduct Authority.

Stone X has engaged StoneX Correspondent Clearing ("**StoneX Clearing**"), a division of StoneX Financial Inc. (CRD No. 45993 / SEC No. 8-51269) ("**StoneX Financial**") for the provision by of sub-custody services to StoneX in respect of the securities of the Issuer (including the Underlying T-bills) credited to the Securities Collateral Account pursuant to the Brokerage and Custody Agreement. Stone X Financial is a FINRA-regulated securities custodian and clearing firm, providing commodities, OTC derivatives, securities, FX and payments services, acting for the Custodian out of its offices at 329 Park Avenue North, Suite 350, Winter Park, Florida FL 32789, United States.

StoneX will hold any cash of the Issuer which is credited to the Cash Collateral Account in an account in StoneX's name for the benefit of its clients with Bank of America Corporation ("**Bank of America**" and, together with StoneX Clearing, the "**Sub-Custodians**").

Brokerage and Custody Agreement

Digital Bonds Ltd (acting in respect of its general account) (the "**General Account**") and in respect of each segregated account of Digital Bonds Ltd named therein, including the Issuer) (each, a "**Segregated Account**") and StoneX in its capacity as broker (the "**Broker**") and as custodian (the "**Custodian**") have entered into a market standard agreement dated 26 March 2024 consisting of the Broker's Terms of Business: Equity and Fixed Income Securities (June 2023) regarding the provision by StoneX of brokerage

services and account-keeping and safeguarding services to the General Account and to each Segregated Account (together with the Custody Schedule thereto, the "**Brokerage and Custody Agreement**").

The Brokerage and Custody Agreement is subject to the sub-custody arrangements between the Custodian and the Sub-Custodians.

As the Custodian is not a licensed bank, it has arrangements with StoneX Clearing to act as sub-custodian in respect of securities held by the Custodian for its clients. StoneX Clearing acts as sub-custodian of all securities credited to the Securities Collateral Account of the Issuer. All such securities will be held with StoneX Clearing in an omnibus account in StoneX's name for the benefit of its clients and segregated from any assets held by StoneX Clearing for itself, for its other clients or for StoneX.

All cash held with StoneX on behalf of its clients is held by it as trustee. StoneX will hold any cash credited to the Cash Collateral Account of the Issuer in an account in StoneX's name for the benefit of its clients with Bank of America.

The Custodian may also appoint other licensed parties to act as a sub-custodian. Any such appointment will be notified to the Holders in accordance with the Conditions of the Digital Bonds.

See further "*Sub-Custody Arrangements*" below.

The Brokerage and Custody Agreement and the related trade confirmation for the purchase of the Underlying T-bills (the "**Trade Confirmation**"), together govern, *inter alia*, the purchase by the Issuer from the Broker of the Underlying T-bills backing the Digital Bonds ("**Brokerage Transactions**") and the establishment and maintenance of the Collateral Accounts of the Issuer with the Custodian. The operation of the Collateral Accounts is further subject to the Securities Account Control Agreement, described under "*Securities Account Control Agreement*" below.

As described under "*Arrangement and Tokenization Services Agreement*" above, the Issuer has authorized PV01 to give instructions to the Broker and Custodian with respect to the purchase and any sale of the Underlying T-bills and any payments, deposits, withdrawals and/or transfers of cash and/or securities to and from the Collateral Accounts on the Issuer's behalf. The General Account has also granted a specific power of attorney to Pv01 authorizing it to give instructions to the Broker and Custodian with respect to Brokerage Transactions on the General Account's behalf.

Pursuant to the trade confirmation relating to the purchase of the Underlying T-bills, PV01, acting on behalf of the Issuer and the General Account, will instruct the Broker to establish and credit the Underlying T-bills to, the Securities Collateral Account of the Issuer.

The General Account, as client of record under the Brokerage and Custody Agreement, is responsible for the payment of all fees due to the Custodian in connection with the Brokerage Transactions and custody services provided by the Broker and Custodian, including the purchase, sale and ongoing custody of the Underlying T-bills. The General Account is required to maintain a minimum balance in its cash account with the Custodian which is sufficient to cover the payment of all anticipated fees in respect of the cash and securities sub-accounts established by the Custodian for each Segregated Account party to the Brokerage and Custody Agreement.

Set-Off, Deduction, Security

The Custodian has agreed that in respect of the General Account's obligations under the Brokerage and Custody Agreement relating to the accounts of the General Account and of each Segregated Account (including the Issuer), the Custodian may only exercise its rights to set-off or deduct any fees or other amounts payable to it against the assets credited to the accounts of the General Account and the relevant Segregated Account and it shall not be permitted to set off or deduct any such unpaid amounts against the

assets which are credited to the accounts of any other Segregated Account. In respect of any fees or other amounts due to the Custodian relating to the Collateral Accounts of the Issuer, therefore, to the extent such amounts are not satisfied out of the assets in the accounts of the General Account with the Custodian or otherwise paid by the Tokenizer on the Issuer's behalf in accordance with the Arrangement and Tokenization Services Agreement, the Custodian may set off and deduct such amounts from the Collateral Accounts of the Issuer.

As security for the payment of such amounts, the Custodian also has a lien over and security interest in the cash and securities accounts of the General Account and a security interest in the Cash Collateral Account and the Securities Collateral Account of the Issuer (solely to the extent of any such amounts owing to the Custodian which are related to such Collateral Accounts).

Brokerage Transactions

Brokerage transactions are executed by the Broker on an execution-only basis and in accordance with the Broker's order execution policy. The Broker may combine client orders with its own orders and orders of other clients for execution, which may result in the client obtaining a less favourable price in relation to a particular order. It is not anticipated that the Broker will engage in any Brokerage Transactions with the Issuer other than the purchase of the Underlying T-bills and - only in the case of an early termination or redemption of the Digital Bonds or an enforcement of the Security - their sale. On maturity of the Underlying T-bills, the Broker will receive the redemption proceeds of the Underlying T-bills and credit such proceeds to the Issuer's Cash Collateral Account.

In executing orders for the purchase and sale of T-bills, the Broker may execute orders on trading venues or off-venue, may transmit orders to an executing broker and may provide any other service as agreed between the Broker and the Client. The standard practices of any relevant stock exchange, trading platform or venue will apply to any Brokerage Transaction executed by the Broker for the Issuer on the Tokenizer's instructions. If the Broker is not a member of a particular trading venue, the Broker may choose to transmit orders for execution with or through an intermediate broker and may use other parties or agents in the course of providing its services.

The Broker is not liable for any acts or omissions of any intermediate broker, party or agent. The Broker (or any intermediate broker executing a transaction on the Broker's behalf) will execute any orders only when the relevant trading venue is open for dealings and any instructions received outside trading hours will be processed when possible in accordance with the rules of the relevant trading venue. Payment in full for executed Brokerage Transactions pursuant to the agreement is due from the Client on the date indicated as the settlement date on the related execution confirmation (delivery vs. payment).

Either of the General Account or the Custodian may terminate the Brokerage and Custody Agreement for no reason by giving thirty (30) days' written notice of termination to the other.

The Brokerage and Custody Agreement, all transactions and all non-contractual obligations and other matters arising from or in connection therewith are governed by and construed in accordance with English law. Each of the Custodian, the General Account and the Issuer have agreed that any dispute arising in connection with the Brokerage and Custody Agreement shall be referred to and finally resolved by arbitration under the Arbitration Rules of the London Court of International Arbitration.

Custody Arrangements

The Custodian establishes in its books and records the segregated custodial securities and cash sub-accounts of the Issuer to which the Underlying T-bills, any other Collateral Securities and any related cash amounts (including redemption proceeds received at maturity) are credited (together, the "**Collateral Accounts**").

Under the rules of the Financial Conduct Authority's CASS Sourcebook, the Custodian holds the Issuer's assets as a trustee, meaning that beneficial ownership of the assets is retained by the Issuer. If the Custodian were to become insolvent, the Issuer would be able to reclaim its assets free from the claims of the Custodian's general creditors. The Custodian anticipates that an administrator appointed to manage an insolvency process in respect of the Custodian would be able to identify the Issuer's assets via the Custodian's own books and records, as well as those of its custody network, making them available for transfer on the Issuer's instructions to an alternative custodian.

Any cash held by the Custodian for the Issuer will also be held by it as a trustee under the rules of the Financial Conduct Authority's CASS Sourcebook. The Custodian is required to maintain secure arrangements to safeguard the Issuer's rights and prevent the use of the Issuer's money for its own account, including by segregating the Issuer's money from the Custodian's own money in its books and records and at third party banks with which the Issuer's money is deposited.

Each of the Collateral Accounts will be designated with the account code: **"DIGIT_BMU"** and account name: **"DIGIT_BMU_DB SERIES-011"** and the Custodian and will clearly indicate that the assets recorded in such account do not belong to the Custodian and are the property of the Issuer. The Custodian will segregate in its books and records the assets credited to the Collateral Accounts from other assets of the Custodian that are held on behalf of the General Account, any other Segregated Account or on behalf of any other client of the Custodian.

The operation of the Collateral Accounts is subject to the Custody Schedule and the Securities Account Control Agreement. In accordance with the Custody Schedule, the Custodian will not transfer any cash or securities from any Collateral Accounts except in accordance with instructions from the Issuer (or PV01 on its behalf).

The Custodian is not permitted to hypothecate or conduct any securities lending or other proprietary transactions with the Underlying T-bills (or any other Collateral Securities) held in the Securities Collateral Account at any time. The Issuer is entitled to request at any time a statement of the assets held by the Custodian for the Issuer under the Brokerage and Custody Agreement.

The Custodian may delegate its duties to a third-party, subject to the prior notification to the Issuer.

Custody of the Digital Bond Tokens and the Bond Token Receipts is in the sole responsibility of the Holder. The Issuer is not obliged to provide for a custody offering for the Digital Bond Tokens or the Bond Token Receipts. A deposit of Digital Bond Tokens into the Bond Token Vault does not place such Digital Bond Tokens into the custody of the Tokenizer, the Issuer or the Bond Token Vault. Such Digital Bond Tokens shall be treated for all purposes as remaining in the custody and control of the Receiptholders.

Sub-Custody Arrangements

The Custodian will deposit all securities held by it for the Issuer with StoneX Clearing (which StoneX Clearing may hold in an omnibus account) and any cash held by the Custodian for the Issuer will be held in an account in the Custodian's name on behalf of its clients with Bank of America.

StoneX Clearing is required to segregate in its books and registers the assets held by it for the Custodian from its own assets and from the Custodian's assets. StoneX Clearing will not have security or similar rights enabling it to dispose of the Issuer's assets except to satisfy obligations incurred by the Issuer, or for payment for services related to the custody of the Issuer's assets. Therefore, the Issuer's assets will not be commingled with the Custodian's assets or the assets of StoneX Clearing or exposed to the performance of the Custodian's assets.

Bank of America will (i) distinguish by name the client money bank account from any account containing money that belongs to Bank of America, the Custodian or to any third party; (ii) not combine the client money bank account with any other account or set-off or counterclaim against money in the client money bank account in respect of any claims against the Custodian or any third party; and (iii) release the credit balance of the client money bank account on the instructions of any liquidator, receiver, administrator, trustee in bankruptcy, or equivalent of the Custodian.

The sub-custody arrangements put in place by the Custodian with StoneX Clearing and Bank of America give effect to the requirements of the Financial Conduct Authority's CASS Sourcebook, under which the Custodian has a regulatory obligation to ensure that any clients' safe custody assets deposited with a sub-custodian are identifiable separately from its own assets and from the assets of any sub-custodian.

The Custodian is not liable for the acts, omissions or insolvency of any Sub-Custodian. In the event of the insolvency or any other analogous proceedings of a Sub-Custodian, the Custodian may only have an unsecured claim against the relevant Sub-Custodian on the Issuer's behalf and on behalf of the Custodian's other clients and the Issuer will be exposed to the risk that the securities, cash or any other property received by the Custodian from the relevant Sub-Custodian is insufficient to satisfy the Issuer's claim and the claims of all other relevant clients in respect of the relevant account of the Custodian with the relevant Sub-Custodian.

As at the date of this Offering Memorandum, the custody services are exclusively provided by the Custodian in the United Kingdom and the Sub-Custodians in the United States. Any change to the jurisdiction in which the Collateral is held by any Sub-Custodian will be notified to the Holders by a notice published on the Pivio Platform www.pv0.one in accordance with Condition 39) (*Notices*).

Securities Account Control Agreement

Digital Bonds Ltd, acting in respect of the General Account and each of its segregated accounts named therein (including the Issuer), the Custodian and the Security Agent have entered into an account control agreement dated 17 May 2024 and taking effect in respect of the Collateral Accounts of the Issuer on or about the date of the Security Deed (the "**Securities Account Control Agreement**").

Pursuant to clause 2.1 of the Securities Account Control Agreement, upon execution of the Security Deed, the Issuer is required to deliver a notice to the Custodian that the Issuer has entered into the Security Deed, whereby the Issuer has granted the Security in favour of the Security Agent over its interest in the Collateral and the Custodian is required to acknowledge such notice. The Securities Account Control Agreement will become effective in respect of the Collateral Accounts of the Issuer upon delivery by the Custodian of such acknowledgement.

The Custodian has agreed that until it has received a Notice of Exclusive Control (as defined in the Securities Account Control Agreement) from the Security Agent, the Custodian will hold the assets in the Collateral Accounts in accordance with the terms of the Brokerage and Custody Agreement. Following the delivery of Notice of Exclusive Control (as defined in the Securities Account Control Agreement) by the Security Agent (in accordance with the Holder Instructions), after having had a reasonable opportunity to act upon such notice, the Custodian will act only in accordance with instructions from the Security Agent, unless such notice is revoked by the Security Agent (which it will only do in circumstances where, due to a lack of instructions from the Holders in the Holder Instructions, the Security Agent is incapable of taking action with respect to the Collateral or the enforcement of the Security and is instructed to do so by the Tokenizer). The Custodian is not required or entitled to verify whether the conditions for realization of the Collateral under the Security Deed are fulfilled. The Custodian also has no obligation to inform the Issuer or the Tokenizer of any instruction sent to it by the Security Agent.

The Issuer has agreed to indemnify the Custodian, its affiliates and their respective directors, officers and employees from all liabilities, losses, reasonable costs, claims, expenses or demands, including reasonable

attorneys' fees (together "**Losses**") arising out of or in connection with or as a result of the Custodian entering into the Securities Account Control Agreement and adhering to its terms. Subject to being indemnified by the Issuer and solely to the extent of amounts received by it pursuant to the Issuer's indemnity, the Security Agent has agreed to indemnify the Custodian from and against any Losses sustained or incurred as a result of the Custodian complying with instructions pursuant to the Securities Account Control Agreement, and to indemnify and, at the Custodian's option, defend the Custodian against, all Losses incurred by the Custodian and arising after service by the Security Agent of a notice, or other communication, under the Securities Account Control Agreement.

The Issuer has in turn agreed to indemnify the Security Agent for, and to hold the Security Agent harmless with regard to any and all claims, losses or out of pocket expenses of the Security Agent imposed on, incurred by, or assessed against the Security Agent as a result of the Security Agent's indemnification of the Custodian, or any other obligation to indemnify the Custodian for any losses arising out of any act or omission of the Custodian in accordance with any entitlement orders, instructions or other directions from the Security Agent, except to the extent that any such loss or liability results from the Security Agent's negligence, fraud or wilful default.

Neither the Issuer or the Security Agent will be liable to indemnify or defend the Custodian to the extent such Losses arise out of the Custodian's gross negligence, fraud or wilful default nor will the Security Agent be liable to indemnify or defend the Custodian to the extent such Losses arise out of any breach by the Custodian of its obligation to comply solely with the Security Agent's instructions with regard to withdrawals from, and services performed by the Custodian with respect to, the Collateral Accounts from the time of receipt and acknowledgement of a Notice of Exclusive Control or a Secured Party Release Notice.

The Securities Account Control Agreement will terminate automatically upon the Custodian's receipt of:

(a) a Secured Party Release Notice from the Security Agent confirming that the Security granted by the Issuer pursuant to the Security Deed has been unconditionally and irrevocably discharged in full; or

(b) a Notice of Exclusive Control and the subsequent transfer of all property held in the Collateral Accounts to, or on the instruction of, the Security Agent.

The Securities Account Control Agreement may also be terminated upon thirty (30) days' prior written notice being given by the Custodian to the Security Agent, the General Account and the Issuer or upon the General Account, the Issuer and the Security Agent, acting jointly, providing not less than sixty (60) days' prior notice to the Custodian, or upon termination of the Custody Agreement, provided that the General Account and the Issuer or the Custodian, as applicable, have forwarded to the Security Agent a copy of any notice to terminate the Custody Agreement and provided further that no termination of the Securities Account Control Agreement shall be effective until the assets held in the Collateral Accounts have been transferred to a successor custodian. If notice identifying a successor custodian is not received by the Custodian prior to expiry of the relevant termination notice period, the Custodian may transfer the assets held in the Collateral Accounts to the Security Agent (or to a third party as the Security Agent may direct).

Limited Recourse

The Security Agent has agreed that in respect of the obligations of the Issuer, it shall only have recourse to the assets linked to the Issuer and that in the event of the exhaustion of the assets linked to the Issuer, there shall be no recourse by the Security Agent to the assets which are linked to any other segregated account established by Digital Bonds Ltd or to the General Account and that there is no obligation whatsoever for Digital Bonds Ltd to use any of its property or assets, other than the assets linked to the Issuer, to satisfy any claim in the event of the exhaustion of the assets linked to the Issuer. In the event that such assets linked to the Issuer are insufficient to meet all obligations, any such obligations remaining after the application of such assets or the proceeds thereof shall be extinguished.

The Custodian has agreed that, solely in respect of the obligations of the Issuer to make payment in respect of fees and any other amounts due to the Custodian related to the accounts of the Issuer, it shall only have recourse to the assets linked to the Issuer and to the assets linked to the General Account and that in the event of the exhaustion of the assets linked to the Issuer and the General Account, there shall be no recourse by the Custodian to the assets which are linked to any other segregated account established by Digital Bonds Ltd and that there is no obligation whatsoever for Digital Bonds Ltd to use any of its property or assets, other than the assets linked to the Issuer or the General Account, to satisfy any claim in respect of amounts owing to the Custodian by the Issuer in the event of the exhaustion of the assets linked to the Issuer and the General Account. In the event that such assets linked to the Issuer are insufficient to meet all such claims, any such claims against the Issuer remaining after the application of such assets or the proceeds thereof shall be extinguished.

Non-petition

The Security Agent has agreed that it shall not institute against, or join any other person in instituting against, the Issuer, any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium, receivership or liquidation proceedings, or other proceedings under the laws of Bermuda or equivalent proceedings under the laws of any other jurisdiction.

The Custodian has agreed that it shall not, in respect of the obligations of the Issuer, until the expiry of a period of 1 year and 1 day following the maturity date of the Digital Bonds, institute against, or join any other person in instituting against the Issuer, any bankruptcy, reorganization, arrangement, insolvency, winding up, moratorium, receivership or liquidation proceedings, or other proceedings under the laws of Bermuda or equivalent proceedings under the laws of any other jurisdiction.

Governing Law

The Securities Account Control Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law. The courts of England have exclusive jurisdiction to settle any dispute arising out of or in connection with the Securities Account Control Agreement.

On-Off Ramper

The role of the On-Off Ramper is to provide crypto and fiat trading account and related custodial services to the Issuer and to provide a platform whereby the Issuer (or the Tokenizer acting on the Issuer's behalf) may execute crypto and fiat currency transactions utilizing such accounts (the "**On-Off Ramping Functions**"), including:

i. receiving crypto currency (USDC) from the Issuer's Fireblocks digital wallet, converting such USDC to fiat currency (USD) and transferring such USD to the Issuer's Cash Collateral Account with the Custodian; and

ii. receiving fiat currency (USD) from the Issuer's Cash Collateral Account, converting such USD to cryptocurrency (USDC) and transferring such USDC to the Issuer's Fireblocks digital wallet or into the Bond Smart Contract.

Coinbase, Inc. ("**Coinbase**" or the "**On-Off Ramper**") is a licensed, publicly traded company incorporated under the laws of Delaware with its principal place of business at 430 California St San Francisco, CA 94104, United States, which operates a cryptocurrency exchange platform and offers digital currency wallets and a platform for general transactions to customers worldwide.

The Issuer may engage or utilize the services of other licensed parties to execute the On-Off Ramping Functions for the Digital Bonds as indicated in a notice to the Holders posted on the Pivio Platform: www.pv0.one in accordance with Condition 39) (*Notices*).

On-Off Ramping Services

Digital Bonds Ltd (acting in respect of the General Account) and Coinbase (for itself and as agent for the Coinbase Entities named therein) have entered into Coinbase's standard form "**Coinbase Prime Broker Agreement**" including the Coinbase Custody Custodial Services Agreement and the Coinbase Master Trading Agreement (2022 International Version 2.0) on 28 January 2024 (together, the "**On-Off Ramper Agreement**"). The On-Off Ramping Agreement includes the terms pursuant to which Coinbase provides linked crypto and fiat currency trading accounts and Coinbase Custody International Limited ("**Coinbase Custody**") provides custodial services to Digital Bonds Ltd (including the Issuer) in respect of digital assets and cash credited to such accounts.

In accordance with the On-Off Ramper Agreement, Coinbase has established a prime broker account for Digital Bonds Ltd consisting of separate vaults (each, a "**Vault Balance**") and trading balances (each, a "**Trading Balance**") (including a Vault Balance and a Trading Balance in the Issuer's name), providing the Issuer with access to the On-Off Ramper's platform, enabling the Issuer to execute the On-Off Ramping Functions in connection with the Digital Bonds through the purchase and sale of digital assets. The Issuer will determine at any time the allocation of any digital assets between its Vault Balance and its Trading Balance. Any cash (fiat currency) may only be held in the Issuer's Trading Balance.

Pursuant to the On-Off Ramping Agreement, the Issuer has the ability to convert USDC to USD and vice versa on a 1:1 basis. The On-Off Ramper does not charge a fee for providing the crypto and fiat trading accounts, but it does charge commissions and transaction fees in connection with crypto and fiat currency transactions and transfers of such currencies to, from and between such accounts. The Issuer also incurs gas and any other applicable network fees in connection with its use of the blockchain network to process such transactions and custodial fees in respect of any digital assets credited to its Vault Balance.

Coinbase will hold any digital assets credited to the Vault Balance of the Issuer in a segregated custody account controlled and secured by Coinbase Custody, which will be divided at the Issuer's discretion between segregated hot storage and segregated cold storage, both in the Issuer's name.

Digital Assets in the Trading Balance of the Issuer will be held by Coinbase, at its discretion in any of the following: (i) omnibus hot wallets (each, an "**Omnibus Hot Wallet**"); (ii) omnibus cold wallets (each, an "**Omnibus Cold Wallet**"); or (iii) accounts in Coinbase's name with trading venues with which Coinbase has connections (each, a "**Connected Trading Venue**" and each such account, a "**Coinbase Connected Trading Venue Digital Asset Balance**"). Portions of the Omnibus Cold Wallet and Omnibus Hot Wallet may be held by Coinbase in accounts in Coinbase's name for the benefit of its customers ("**FBO Accounts**") with Coinbase Custody.

Any cash (fiat currency) in the Issuer's Trading Balance will be held by Coinbase in: (i) one or more omnibus FBO Accounts at one or more U.S. insured depository institutions or (ii) in Coinbase's omnibus accounts at Connected Trading Venues. FBO accounts are titled and maintained to enable receipt of Federal Deposit Insurance Corporation ("**FDIC**") deposit insurance, where applicable, up to applicable deposit insurance limits for the client's benefit on a pass-through basis. Coinbase accounts at Connected Trading Venues may or may not be titled in a manner consistent with FDIC requirements for pass-through deposit insurance. Availability of passthrough deposit insurance is dependent upon the actions of the Connected Trading Venues and any depository institutions they may use. FDIC insurance applies to cash deposits at banks and other depository institutions in the event of a failure of that institution. It does not apply to any Coinbase Entity or to any Digital Asset held by any Coinbase Entity on a client's behalf.

Coinbase treats all client assets as custodial assets held by it for the benefit of the relevant client and maintains internal ledgers specifying the assets held for each client and each client's assets credited to its Trading Balance, enabling Coinbase and its auditors and regulators to identify each client and the client's assets. No client assets credited to the Trading Balance are considered to be the property of, or loaned to, Coinbase and neither Coinbase nor any Coinbase Entity will sell, transfer, loan, rehypothecate or otherwise

alienate any client assets credited to the client's Trading Balance unless instructed by the client. Digital assets in the client's custodial account are held on trust for the client and segregated from assets held by Coinbase Custody as principal and the assets of other customers of Coinbase Custody.

Among other things, this means:

- Title to such digital assets shall at all times remain with the Issuer and shall not transfer to any company in the Coinbase Bermuda Group. As the owner of the digital assets in its digital wallet with Coinbase, the Issuer bears all risk of loss of such digital assets. Coinbase assumes no liability for fluctuations in the fiat currency value of digital assets held by the Issuer in its digital wallet with Coinbase.
- None of the digital assets in the Issuer's digital wallet with Coinbase are the property of, or shall or may be loaned to, Coinbase;
- Coinbase does not represent or treat assets in the Issuer's digital wallet as belonging to Coinbase.
- Coinbase may not grant a security interest in the digital assets held in the Issuer's digital wallet.
- Except as required by a facially valid court order, Coinbase will not sell, transfer, loan, hypothecate, or otherwise alienate digital assets in the Issuer's digital wallet unless instructed by the Issuer or compelled by a court of competent jurisdiction to do so.
- The Issuer controls the digital assets held in its digital wallet with Coinbase. At any time, subject to outages, downtime, and other applicable policies, the Issuer is entitled to withdraw its digital assets by sending them to a different blockchain address.
- Customers' digital assets are segregated from Coinbase's own digital assets or funds by way of separate ledger accounting entries for customer and Coinbase accounts. Notwithstanding the foregoing, Coinbase has no obligation to use different blockchain addresses to store digital assets owned by the Issuer and digital assets owned by other customers or by Coinbase.
- Coinbase is under no obligation to issue any replacement digital assets in the event that any digital asset, password or private key is lost, stolen, malfunctioning, destroyed or otherwise inaccessible.

The Issuer has authorized the Tokenizer to operate its accounts with Coinbase on its behalf for the purpose of executing the On-Off Ramping Functions. Upon the occurrence of a Realization Event and enforcement of the Security in respect of the Digital Bonds, the Tokenizer, acting on the instructions of the Security Agent (itself acting pursuant to the Holder Instructions), may also utilize and operate the Issuer's accounts with the On-Off Ramper to execute any transfers and/or conversion of the Net Realization Proceeds for purposes of their distribution to the Holders of the Digital Bonds in accordance with Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*).

Digital Bonds Ltd (acting in respect of the General Account), as the client of record, is responsible for payment of all service fees due to Coinbase pursuant to the On-Off Ramper Agreement, including any transaction or DLT fees in connection with transfers and conversions, and any fees for custody of digital assets held in the Issuer's Vault Balance, but may allocate an amount of the On-Off Ramper's fees to the Issuer (proportionate to the services provided by the On-Off Ramper to the Issuer). Any such fees allocated to the Issuer will be paid on behalf of the Issuer by PV01 as Tokenizer in accordance with the Arrangement and Tokenization Services Agreement. The Tokenizer has also undertaken to credit the Issuer's accounts with Coinbase with the necessary amounts to cover any transaction fees. The On-Off Ramper has the right under the agreement to deduct any fees against the client's Vault Balance or Trading Balance and to set off any obligations owed by Coinbase or any other Coinbase Entity to the client against any obligations owed to it or such other Coinbase Entity by the client and may liquidate any client assets and apply the proceeds towards any net amount due from the client. Coinbase also takes a first priority security interest in, lien on and right of set off against all of the client's right, title and interest in the client's Trading Balance and Vault Balance in the client's custodial account, together with the proceeds thereof, in order to secure repayment of the costs, fees and other obligations of the client to Coinbase arising under the On-Off Ramper Agreement from time to time.

Either Digital Bonds Ltd (acting in respect of the General Account) or Coinbase may terminate the On-Off Ramper Agreement upon 30 days' prior written notice to the other party. Coinbase may also suspend, restrict or terminate the Client's services with immediate effect and without notice for Cause (as defined in the On-Off Ramper Agreement, including, among other things insolvency of the Client, a breach of the provisions of the agreement, or court order). The On-Off Ramper Agreement is governed by the laws of the State of New York, excluding its conflicts of law principles, except to the extent such state law is pre-empted by federal law.

The Issuer (or the Tokenizer on its behalf) may determine in its sole discretion to utilize the services of other licensed parties to perform the On-Off Ramping Functions for the Digital Bonds. Any such determination will be notified to the Holders in accordance with the Conditions of the Digital Bonds.

Security Agent

Ankura Trust Company, LLC ("**Ankura Trust**"), a New Hampshire chartered trust company with its principal office at 140 Sherman Street, Fourth Floor, Fairfield, CT 06824 United States will act as the Security Agent for the Holders of the Digital Bonds (the "**Security Agent**"). Founded in 2018, Ankura Trust provides loan agency, indenture trustee, escrow and specialty administrative and fiduciary related services to clients globally.

The Security Agent acts in the name and on the account of the Holders as their agent for the sole purpose of holding and enforcing the Security granted by the Issuer in respect of its obligations under the Digital Bonds. The Security Agent also takes the benefit of the Security in the Security Agent's own name and on its own account in respect of the fees and expenses payable to it by the Issuer in connection with the performance of its role as Security Agent and any realization costs in respect of the Collateral.

The Security Agent acts solely as an agent for the Holders and not as a trustee and as such the Security Agent owes no fiduciary duties to the Holders. The Security Agent does not act as a representative of the Holders and other than in respect of the Security does not enforce the Holders' rights under the Deed Poll (including the Conditions) or the Digital Bonds.

The role of the Security Agent upon the occurrence of a Realization Event in respect of the Digital Bonds is limited to acting in accordance with the Holder Instructions (See *Holder Instructions to the Security Agent*" below), including by:

i. delivering a Notice of Acceleration in accordance with Condition 24)b) (*Enforcement - Acceleration*) and (where applicable) an Enforcement Notice in accordance with Condition 24)d) (*Enforcement – Realization of Collateral*) to the Issuer;
ii. upon the Security becoming enforceable, taking control over the Collateral Accounts by delivering a Notice of Exclusive Control to the Custodian pursuant to the Securities Account Control Agreement;
iii. instructing the Custodian with respect to the liquidation of the Collateral in accordance with the Securities Account Control Agreement; and
iv. instructing the Custodian with respect to the distribution of the Net Realization Proceeds,

pursuant to the relevant provisions of the Conditions, the Security Deed and (where applicable), with the assistance and in accordance with the instructions of, the Tokenizer.

Security Deed

The Issuer has entered into a Security Deed with the Security Agent, acting in its own name and on its own behalf and as agent for the Holders dated 7 January 2025 (the "**Security Deed**"). Each Committed Investor (as defined in Condition 7) (*Primary Issuance Process*), by acquiring any Digital Bonds, appoints (for itself and its Transferees) the Security Agent as its agent and each Holder and each Transferee, by acquiring any Digital Bonds (whether by receipt of a Digital Bond Token or a Bond Token Receipt) gives

the Security Agent the instructions set out in the section of this Offering Memorandum entitled "*Holder Instructions to the Security Agent*" and in Condition 50) (*Holder Instructions to the Security Agent*), including, without limitation, instructions to exercise its rights under the Deed Poll (including the Conditions) and the Security Deed upon the occurrence of a Realization Event, including (where applicable) by declaring the Digital Bonds immediately due and payable and, where such Realization Event is continuing, by seizing the Collateral and instructing its liquidation to satisfy the obligations of the Issuer under the Digital Bonds. Once a Holder disposes of all Digital Bonds held by it, such Holder no longer has the benefit of the Security Deed.

Under the Security Deed, the Issuer has undertaken to the Security Agent (for itself and as agent for the Holders) that it will (i) duly, unconditionally, and punctually pay and discharge all the Secured Liabilities which are or may become due, owing or payable by the Issuer under or in respect of the Digital Bonds and the Collateral pursuant to the Deed Poll (including the Conditions) and the Security Deed and (ii) observe, perform and satisfy all its other obligations under the Deed Poll (including the Conditions) and the Security Deed.

Under the Security Deed, as security for the payment and discharge of Issuer's obligations to the Holders of the Digital Bonds under the Deed Poll (including the Conditions) and the fees, expenses and any claims (including any indemnities) payable to the Security Agent pursuant to the Security Agent's Fee Letter and the Security Deed in connection with its role as Security Agent and any realization costs in respect of the Collateral in accordance with Condition 24)d) (*Enforcement – Realization of Collateral*), the Issuer has granted to the Security Agent, in its own name and on its own account and for the account and benefit of the Holders as their agent, the following security (the "**Security**"): a fixed charge over all the Issuer's present and future right, title, interest and benefit in and to the Collateral Accounts, the Collateral Securities (as defined in the Security Deed, which includes the Underlying T-bills and any other securities held in the Securities Collateral Account), the Deposit, the Ancillary Account Rights and the proceeds thereof, any cash standing to the credit of the Cash Collateral Account and all other rights of the Issuer in respect of the Collateral Accounts (such assets, together, the "**Collateral**").

To the extent that any part of the Security takes effect as or is recharacterized as a floating charge, such floating charge will be automatically converted to a fixed charge in the circumstances specified in the Security Deed (including if the Security becomes enforceable following the occurrence of certain Realization Events or the Issuer is in breach of its covenant not to grant any other security interest in or dispose of any part of the Collateral).

If a Realization Event occurs, (other than a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*)) and the Issuer has delivered a Realization Event Notice to the Holders and the Security Agent, the Security Agent will (in accordance with the Holder Instructions) deliver a Notice of Acceleration to the Issuer, declaring the principal amount of all the Digital Bonds then in issue to be immediately due and payable and demand immediate payment by the Issuer of all amounts in respect of principal or otherwise in respect of the Digital Bonds, and upon such declaration being made, all amounts in respect of principal or otherwise in respect of the Digital Bonds shall become immediately due and payable.

If, following a period of 10 Business Days after the delivery by the Security Agent of a Notice of Acceleration, the Realization Event giving rise to such notice is continuing (as notified to the Security Agent by the Issuer), the Digital Bonds have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, the Security Agent will (in accordance with the Holder Instructions) deliver an Enforcement Notice to the Issuer.

The Security Agent is not required to monitor or investigate as to the occurrence of a Realization Event and may assume without inquiry in the absence of express written notice from the Issuer or the Tokenizer that no Realization Event or other event has occurred.

The Security will become immediately enforceable upon the delivery by the Security Agent of an Enforcement Notice to the Issuer or automatically upon the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*)).

Upon the Security becoming enforceable, the Security Agent will (in accordance with the Holder Instructions) exercise all of the following rights, privileges and remedies:

(i) to take control over the Collateral Accounts pursuant to the Securities Account Control Agreement by delivering a Notice of Exclusive Control to the Custodian notifying the Custodian that it shall no longer act on the instructions of the Issuer (or the Tokenizer on the Issuer's behalf) but on the instructions of the Security Agent in relation to the Collateral Accounts; and

(ii) provided there are at least 10 calendar days remaining to the scheduled maturity date of any Collateral Securities, to instruct the Custodian to liquidate the Collateral Securities as quickly as possible and at the best price obtainable (acting in a commercially reasonable manner); and

(iii) if there are less than 10 calendar days remaining to the scheduled maturity of any Collateral Securities, the Security Agent shall not instruct their liquidation but shall hold them in the Securities Collateral Account until maturity, upon which the proceeds of such Collateral Securities shall be credited to the Cash Collateral Account.

Following the credit of the proceeds of the Collateral Securities to the Cash Collateral Account, the Security Agent will instruct the Custodian (in accordance with instructions provided to it by the Tokenizer) in respect of the distribution of the Net Realization Proceeds in the order of priority set out in Condition 25) (*Realization Event Priority of Payments*)) and in accordance with the procedures set out in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*). The Holders have (pursuant to the Holder Instructions) instructed the Security Agent to comply with the Tokenizer's instructions regarding the method of distribution of the Net Realization Proceeds, which will be effected by one or more of the following methods:

(i) an on-chain payment in USDC via the Bond Smart Contract, with the Net Realization Proceeds being transferred through the Issuer's accounts with Coinbase to the Bond Smart Contract;
(ii) an on-chain payment in USDC from the Issuer's digital wallet with Fireblocks;
(iii) an off-chain payment in USD via the Issuer's fiat account; or
(iv) an off-chain payment in USD via the Security Agent or the Paying Agent,

provided that following the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall only be made through the Security Agent or a Paying Agent.

The Security Agent is not required to accept, collect, hold, exchange or disburse Stablecoins or any fiat currency other than U.S. dollars.

In the case of any payment which the Security Agent has determined will be made by way of the Issuer's accounts, the Issuer will be required to comply (and to ensure that the Tokenizer complies) with the Security Agent's instructions and with the procedures outlined in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*).

A Holder shall only be entitled to receive payment upon any distribution of the Net Realization Proceeds if:

(i) Digital Bond Tokens are credited to the digital wallet address of such Holder (Receiptholders wishing to submit a payment claim under the Digital Bonds must first make a Bond Token Withdrawal to obtain the Digital Bond Tokens);
(ii) such Holder has satisfactorily completed Investor Screening with the Tokenizer (acting on behalf of the Issuer and the Security Agent) and has provided any other information and/or documentation required by the Security Agent or any Paying Agent for purposes of identifying the Holder, verifying the Holder's identity and conducting any KYC, AML/ATF, Sanctions or other checks;
(iii) the digital wallet address of such Holder is included on the Digital Wallet Whitelist;
(iv) the digital wallet address of such Holder is not included on the Sanctions Blacklist or the Digital Wallet Blacklist; and
(v) any fiat account provided by such Holder for purposes of receiving an off-chain payment in USD is not located or maintained in the United States.

The Issuer has undertaken to provide, and to procure that the Tokenizer shall provide, all information and assistance to the Security Agent, the Custodian and any Paying Agent as each of them may reasonably require in order to effect the distribution of the Net Realization Proceeds to the Holders in accordance with the Security Agent's instructions (given in accordance with the Holder Instructions) and with the procedures outlined in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*). The Security Agent is not obligated to take any action or step requiring instructions from and/or performance by the Tokenizer of its services under the Arrangement and Tokenization Services Agreement in the absence of such instructions and/or performance. The Security Agent will not be liable for failing to take any action or step requiring instructions from and/or performance by the Tokenizer of its services under the Arrangement and Tokenization Services Agreement in the absence of such instructions and/or performance.

For the purpose of making any payment to the Holders off-chain in USD, the Issuer (or the Tokenizer on its behalf) or the Security Agent will be entitled to appoint a third party to act as a paying agent (each, a "**Paying Agent**"). The fees of any Paying Agent will be payable out of the Net Realization Proceeds (and thus borne *pro rata* by the Holders) and the Security Agent may deduct the amount of such fees and expenses from the Net Realization Proceeds prior to their distribution. Each Holder will be responsible for the costs and expenses incurred by the Security Agent or any Paying Agent in the transfer of amounts to the Holder's designated fiat account. Each Holder agrees that the Security Agent or the Paying Agent may deduct such costs and expenses from the amount being transferred to the Holder.

Upon liquidation of the Collateral and receipt by the Issuer of the net proceeds thereof into the Cash Collateral Account, the Security Agent will also be entitled to deduct, prior to distribution to the Holders, such amount as shall be sufficient to cover the compensation and properly incurred expenses, disbursements and advances of the Security Agent, its agents and counsel.

Release of Security

Subject to Clause 34 (*Discharge Conditional*) of the Security Deed, on the date on which the Security Agent is satisfied that all the Secured Liabilities have been unconditionally and irrevocably paid and discharged in full and no further Secured Liabilities are capable of being outstanding (but not otherwise), the Security Agent will release and discharge the Collateral from the Security.

Rights and Protections of the Security Agent

The Security Agent is not required to take any action other than as expressly provided in the Conditions and/or the Security Deed or (where applicable) as directed by the Tokenizer.

The Security Agent is not required to expend or risk its own funds or otherwise incur liability, financial or otherwise, in the performance of any of its duties or in the exercise of any of its rights or powers under the Security Deed and is not required to take any action unless it has been prefunded and/or indemnified to

its satisfaction. If, prior to taking any action the Security Agent requires any pre-funding or indemnification, such prefunding or indemnification may be provided on behalf of the Issuer by the Tokenizer, at its discretion, in accordance with its undertaking to fund the Issuer Fees and Expenses pursuant to the Arrangement and Tokenization Services Agreement.

The Security Agent may consult with counsel and any advice or opinion of counsel with respect to legal matters relating to the Security Deed, the Digital Bonds, the Digital Bond Tokens, the Bond Token Vault and the Bond Token Receipts will be full and complete authorization and protection from liability in respect to any action taken, omitted or suffered by the Security Agent in good faith and in reliance on the advice or opinion of such counsel. If the Security Agent considers that such advice or opinion is necessary, the Security Agent will not be required to expend its own funds and will not be required to act until it has been pre-funded to its satisfaction.

Limited Recourse; Non-petition

The Security Deed includes customary "limited recourse" and "non-petition" provisions in respect of the Issuer's obligations therein, including the Issuer's undertaking to pay.

Amendments

Without the consent of the Holders, the Issuer and the Security Agent (acting in accordance with the Holder Instructions), may agree amendments to the Security Deed for the purpose of correcting a manifest error, clarifying any uncertainty, or correcting or supplementing the provisions of the Security Deed in such a manner as the Issuer (or the Tokenizer on its behalf) may in its discretion deem necessary or desirable, provided that, in the Issuer's sole opinion (or that of the Tokenizer on its behalf), acting in a commercially reasonable manner, such changes are not materially prejudicial to the interests of the Holders.

The Issuer and the Security Agent (acting in accordance with the Holder Instructions) may also amend any provision of the Security Deed where, and to the extent that, in the Issuer's sole determination, the amendment is necessitated as a consequence of changes in law, including, without limitation legislation and/or regulation, a judicial determination or judgment or a decision or rule of any regulatory authority, in each case applicable to the Issuer, the Service Providers, the Digital Bonds and/or the Holders.

If they enter into any amendment to the Security Deed, the Issuer and the Security Agent will electronically execute an amended and restated Security Deed (the "**Amended and Restated Security Deed**") and the Issuer (or the Tokenizer on its behalf) will publish a Notice to the Holders in accordance with Condition 39) (*Notices*) informing them of such amendments as soon as reasonably practicable and including both a clean and a redline copy of the Amended and Restated Security Deed showing the changes made.

The Issuer will also procure that the Tokenizer includes in the Bond Smart Contract a link to the web page address where the signed original of the Amended and Restated Security Deed will be available for viewing, together with a reference to the hash (the unique and unrepeatable identifier) in respect of the Amended and Restated Security Deed.

Fees and Expenses

Digital Bonds Ltd acting in respect of its general account (in such capacity, "**DBL**") and each of its segregated accounts (including the Issuer) has entered into an engagement letter with the Security Agent which governs the services to be provided by the Security Agent and the fees payable for such services (the "**Fee Letter**"). DBL is responsible for the payment of the ongoing monthly administration fees of the Security Agent, as well as the upfront deposit and the legal expenses of the Security Agent in connection with the negotiation and preparation of the documentation for the Digital Bonds.

Under the Fee Letter, the Issuer is only required to pay the fees of the Security Agent in respect of any extraordinary services (duties or responsibilities not expected to be incurred at the outset of the transaction

or not incurred in the ordinary course of business of administering the collateral, such as actual and/or threatened litigation and/or arbitration proceedings, enforcement actions, non-routine calculations, foreign currency conversions, early termination and/or other services not otherwise specifically provided for in the Fee Letter). In addition, the Issuer has agreed to pay to, or reimburse, the Security Agent for all costs, charges, expenses (including legal expenses), taxes and liabilities of any kind incurred by the Security Agent (other than those payable by DBL pursuant to the Fee Letter) and (without duplication) all costs and expenses of the Security Agent for which the Issuer is responsible under the Security Deed.

The Security Agent will only have recourse to the Issuer and to the Collateral in respect of the obligations of the Issuer.

The Fee Letter is governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of law principles. The Issuer has submitted to the exclusive jurisdiction of the federal courts of the Southern District of New York in the State of New York, or if such federal courts do not have jurisdiction, then to the Commercial Division of the state courts residing in the County of New York in the State of New York in respect of any proceedings relating to the Fee Letter.

Indemnification

The Issuer has also agreed to indemnify the Security Agent, each Delegate of the Security Agent and their respective employees, directors, officers and agents against all Losses (as defined in the Security Deed) suffered or incurred by any of them arising out of or in connection with:

i. the performance of its duties under the Security Deed, the Deed Poll (including the Conditions), under the Securities Account Control Agreement and the Arrangement and Tokenization Services Agreement;
ii. the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under the Security Deed or by law in respect of the Collateral;
iii. the taking, holding, protecting, preserving, releasing or enforcing (or attempting to do so) the Security; or
iv. any default or delay by the Issuer in performing any of its obligations under the Security Deed.

The fees, expenses and any indemnities payable by the Issuer to the Security Agent will be funded by the Tokenizer pursuant to its undertaking to pay, or put the Issuer in funds to pay, the Issuer Fees and Expenses.

Assignment

The Security Agent may not, without the consent of the Issuer, assign any of its rights or transfer any of its rights and obligations under the Security Deed.

The Issuer may not assign any of its rights, or transfer any of its rights or obligations, under the Security Deed or enter into any transaction which would result in any of those rights or obligations passing to another person. The Security Agent may delegate any right, power, authority or discretion conferred on it by the Security Deed.

Termination

Pursuant to Clause 33.h of the Security Deed, there must at all times be a Security Agent that is a corporate entity duly authorized under its constitutive documents and any applicable laws and regulations to act as a trustee and perform the obligations set out in the Security Deed and the Securities Account Control Agreement.

The Security Agent may resign at any time by notifying the Issuer not less than ninety (90) days prior to the effective date of such resignation.

The Issuer is required to remove the Security Agent if:

i. the Security Agent fails to comply with Clause 33.h) (*Eligibility; Disqualification*) of the Security Deed;
ii. the Security Agent is adjudged a bankrupt or insolvent;
iii. a receiver or other public officer takes charge of the Security Agent or its property; or
iv. the Security Agent otherwise becomes incapable of acting.

If the Security Agent resigns or is removed for any reason, the Issuer is required to promptly appoint a successor Security Agent that is qualified and eligible under Clause 33.h) (*Eligibility; Disqualification*) of the Security Deed. If a successor Security Agent does not take office within thirty (30) days after the retiring Security Agent resigns or is removed, the retiring Security Agent (at the sole cost of the Issuer) or the Issuer may petition any court of competent jurisdiction for the appointment of a successor Security Agent.

If the Security Agent fails to comply with Clause 33.h) (*Eligibility; Disqualification*) of the Security Deed and the Issuer has failed to appoint a successor Security Agent within thirty (30) days of learning of such failure, any Holder may petition any court of competent jurisdiction for the removal of the Security Agent and the appointment of a successor Security Agent.

Other than as expressly provided therein, a person who is not a party to the Security Deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce, or enjoy the benefit of, any term of the Security Deed. Nor is the consent of any person who is not a party to the Security Deed is required to rescind or vary the Security Deed at any time.

The Security Deed and any dispute or claim, including any non-contractual dispute or claim arising out of or in connection with it or its subject matter or formation, is governed by English law.

Description of the Digital Bonds

Type and Class of the Digital Bonds

The Digital Bonds are blockchain-native, direct, unconditional, secured, zero coupon, limited recourse debt obligations of the Issuer, collateralized on a 1:1 basis by U.S. government-issued treasury bills maturing on the Maturity Date of the Digital Bonds in an aggregate USD principal amount equal to the USDC principal amount of the Digital Bonds, held for the Issuer in segregated cash and securities sub-accounts with the Custodian.

The Digital Bonds do not bear interest.

The Digital Bonds are not guaranteed or underwritten by any other party and are the sole obligations of the Issuer.

The Digital Bonds cannot be redeemed at the option of the Holder and may only be transferred via the DLT to other eligible investors (subject to the Transfer Restrictions (including the Sanctions Restrictions and the Selling Restrictions) and the Eligibility Criteria included in the Conditions) (see "*Form and Transfer of the Digital Bonds*" below).

Form and Transfer of the Digital Bonds

The Digital Bonds are issued in bearer, dematerialized form and are represented by the Digital Bond Tokens. The Digital Bond Tokens are intended to be fully negotiable and are freely transferable on the DLT in any USDC principal amount (up to 6 decimal places) (subject to the Transfer Restrictions (including the Sanctions Restrictions and the Selling Restrictions)) and the Eligibility Criteria included in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions). The Bond Token Receipts are freely transferable on the DLT in any USDC principal amount (up to 6 decimal places) subject to the same Transfer Restrictions and Eligibility Criteria as the Digital Bond Tokens.

The obligations of the Issuer are constituted and tokenized ("attached" to the Digital Bond Tokens and the Bond Token Receipts) pursuant to the terms of a Deed Poll entered into by the Issuer for the benefit of the Holders of the Digital Bonds from time to time, which Deed Poll includes the Conditions.

The creation (or 'minting') of the Digital Bond Tokens and the execution of all transactions in the Digital Bond Tokens are performed by an Ethereum Request-for-Comments #20 ("**ERC-20**") smart contract which is hosted on the DLT and is designed, coded and activated by the Tokenizer to implement the provisions of the Deed Poll, which are incorporated by reference therein (the "**Bond Smart Contract**"). The Bond Smart Contract is governed by English law. In the event of any conflict between the provisions of the Deed Poll and the Bond Smart Contract, the Deed Poll shall prevail.

The operation of the Bond Token Vault, including the creation (or 'minting') of the Bond Token Receipts and the execution of all transactions in the Bond Token Receipts are performed by an Ethereum Request-for-Comments #4626 ("**ERC-4626**") smart contract which is hosted on the DLT and is designed, coded and activated by the Tokenizer to implement the provisions of the Deed Poll (including the Conditions) related to the operation of the Bond Token Vault and the Automatic Rollover Subscription Option, which Deed Poll is incorporated by reference therein (the "**Bond Token Vault Smart Contract**"). The Bond Token Vault Smart Contract is governed by English law. In the event of any conflict between the provisions of the Deed Poll and the Bond Token Vault Smart Contract, the Deed Poll shall prevail.

A link to a webpage where Holders can view an immutable executed copy of the original Deed Poll is embedded within the Bond Smart Contract, and the authenticity of the document is verifiable by a hash also included in the Bond Smart Contract. The Bond Token Vault Smart Contract includes instructions for

Holders to access the Deed Poll of the current Vault Series by accessing the Bond Smart Contract's address on the DLT.

All transactions in the Digital Bond Tokens and the Bond Token Receipts will be validated and publicly visible on the DLT by (for example) searching the Bond Smart Contract address on a block explorer and analytics platform such as Etherscan.

Bond Smart Contract and Bond Token Vault Smart Contract Functions

The Tokenizer has the exclusive ability to execute the Bond Smart Contract Functions (as defined in Condition 28) (*Bond Smart Contract Functionalities*) on the Issuer's behalf (and following the occurrence of a Realization Event, shall do so solely on the Security Agent's behalf), subject always to the Conditions. Other than as provided in Condition 28) (*Bond Smart Contract Functionalities*), neither the Issuer nor the Tokenizer has the ability to update the implementation of the Bond Smart Contract once the Bond Smart Contract has been deployed. Only certain non-immutable data in the Bond Smart Contract is modifiable as necessary for the Bond Smart Contract to operate consistently with the provisions of the Deed Poll (including the Conditions).

As described in Condition 29) (*Bond Token Vault Smart Contract Functionalities*), the Tokenizer has the exclusive limited ability to update the implementation of the Bond Token Vault Smart Contract once the Bond Smart Contract has been deployed, subject always to the Deed Poll (including the Conditions). Certain non-immutable data in the Bond Token Vault Smart Contract is also modifiable as necessary for the Bond Token Vault Smart Contract to operate consistently with the provisions of the Deed Poll. In addition, The Tokenizer as Vault Owner has the exclusive ability to execute the Vault Pausing Function and the Rollover Function (each as defined in Condition 29) (*Bond Token Vault Smart Contract Functionalities*), subject to the Conditions.

The Tokenizer (as Vault Owner) and the Issuer otherwise do not have the ability to execute the Bond Token Vault Smart Contract Functions. Only the Receiptholders have the ability to execute transactions involving the Bond Token Receipts, including transfers, Bond Token Deposits and Bond Token Withdrawals. Neither the Issuer nor the Tokenizer has the ability to withdraw, transfer or burn the Digital Bond Tokens in the Bond Token Vault nor to transfer or burn the Bond Token Receipts.

Title

Title to a Digital Bond is determined by possession of a Digital Bond Token (where "possession" refers to the ability to operate a digital wallet to which a Digital Bond Token is credited, which may only be had through control over the private keys to such digital wallet). The holders of the Digital Bonds from time to time are those natural or legal persons having possession of the Digital Bond Tokens (as defined in Condition 4) (*Title and Transfer*) (each, a "**Holder**" and, together, the "**Holders**").

Each Receiptholder (as defined in Condition 4) (*Title and Transfer*) shall be regarded as the absolute owner of such Bond Token Receipt and as having possession of: (i) such Bond Token Receipt; and (ii) the number of Digital Bond Tokens in the Bond Token Vault for which such Bond Token Receipt may be exchanged at that time, and thereby ownership of the number of Digital Bonds represented by such number of Digital Bond Tokens in the Bond Token Vault at that time. Only the Receiptholder has the ability to effect any transaction in such Bond Token Receipt (including any transfer of the Bond Token Receipt and any Bond Token Withdrawal (as defined in Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*). Neither the Tokenizer as the Vault Owner or the Issuer has the ability to effect any transactions in the Bond Token Receipts or the Digital Bond Tokens in the Bond Token Vault.

Title to the Digital Bonds passes by delivery of the Digital Bond Tokens (including by way of delivery of Bond Token Receipts) in accordance with the Conditions. Ownership of the Bond Token Receipts passes by delivery of the Bond Token Receipts in accordance with the Conditions. The Digital Bond Tokens and the

Bond Token Receipts are exclusively transferable via the DLT. A transfer of the Digital Bond Tokens or the Bond Token Receipts may therefore only be effected by a transfer of the Digital Bond Tokens or the Bond Token Receipts from one digital wallet address on the DLT which can be operated by a person or entity to another digital wallet on the DLT which can be operated by another person or entity, thereby transferring possession of the Digital Bond Tokens (and thus legal title over the associated Digital Bond) or of the Bond Token Receipts from one natural or legal person to another. Transfers of the Digital Bonds and of the Bond Token Receipts are thus subject to the terms and conditions and dependent upon the functioning of the underlying DLT protocol as well as the Conditions and the Deed Poll. Each transferee of a Digital Bond Token (including a transferee of a Bond Token Receipt therefor) takes ownership of the Digital Bond represented by such Digital Bond Token free of any defects in the title of the transferor. Each transferee of a Bond Token Receipt takes ownership of the Bond Token Receipt free of any defects in the title of the transferor.

The DLT creates a permanent and immutable public record of transactions in the Digital Bond Tokens and the Bond Token Receipts. Only transactions in the Digital Bond Tokens and the Bond Token Receipts which are consistent with the transaction history recorded on the DLT and signed with the relevant private key will be validated by the DLT. The DLT is not, however, a register of ownership of the Digital Bonds or of the Bond Token Receipts, which is determined solely by possession of the Digital Bond Tokens or Bond Toke Receipts in accordance with the Conditions. None of the Issuer, the Tokenizer, the Security Agent or any other party is or will be required at any time to produce or maintain a register of Holders of the Digital Bonds.

Governing Law of the Securities

The Digital Bonds have been created under and are governed by and interpreted in accordance with the laws of England and Wales. As such, the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts), the Bond Smart Contract, the Bond Token Vault Smart Contract, the Deed Poll (including the Conditions) and any non-contractual obligations arising out of or in connection with any of them, are governed by and shall be construed in accordance with English law (without reference to principles of conflicts of law rules).

Total Amount of the Offer

The total amount of the Digital Bonds the subject of this Offering Memorandum is up to USDC 25,000,000.

Currency of the Securities Issue

The Digital Bonds are denominated in USDC in the amount of 1.00 USDC per Digital Bond and are issued and settled exclusively on the DLT in USDC. The Digital Bond Tokens also have a notional value of 1.00 per Digital Bond Token and can be traded on-chain in any USDC principal amount (up to 6 decimal places).

All payments under the Digital Bonds shall be made by the Bond Smart Contract delivering USDC to the digital wallet address of each Holder, except in the case of a Payment Claim Failure (as defined in Condition 21) (*Payment Claim Failure*)) or a Depeg Event (as defined in Condition 34) (*Depeg Event*)), where settlement may occur, (at the Tokenizer's discretion, acting on behalf of the Issuer) outside the Bond Smart Contract and payment may be made by or on behalf of the Issuer on-chain in USDC (or the Replacement Settlement Currency) (as defined in Condition 34) (*Depeg Event*)) or off-chain in USD to the USD bank account designated by the Holder. Following a Realization Event and enforcement of the Security, the Security Agent (acting on instructions received by it from the Tokenizer in accordance with the Holder Instructions) may also distribute the proceeds of the Collateral to the Holders on-chain outside the Bond Smart Contract in USDC or off-chain in USD.

Relative Seniority of the Securities in the Issuer's Capital Structure

The Digital Bonds are secured, limited recourse obligations of the Issuer and rank *pari passu* without any preference amongst themselves.

On a liquidation of the Issuer, claims against the Issuer in respect of the Digital Bonds (other than any claim secured under the Security) will rank at least *pari passu* with the claims of all other unsecured creditors (other than those preferred by law).

The Issuer has granted to the Security Agent, for itself and as agent for the Holders, a security interest in the form of a fixed charge over the Collateral (as defined in Condition 9) (*Custody and Collateral*)), including the Collateral Accounts, the Underlying T-bills, any cash standing to the credit of the Cash Collateral Account and all other rights of the Issuer in respect of the Collateral Accounts.

The Holders nevertheless take the risk of the Issuer defaulting. The Digital Bonds are the sole obligations of the Issuer and are neither insured nor guaranteed by any government or agency.

Limited Recourse

The liability of the Issuer in respect of the Digital Bonds is limited to the amounts received by the Issuer in respect of the Collateral. In the event such amounts received by the Issuer are insufficient to satisfy all claims of the Holders in respect of the Digital Bonds, after making any payments ranking prior to the Holders in the applicable priorities of payment, the obligations of the Issuer under the Digital Bonds will be reduced accordingly, and any remaining claims of Holders against the Issuer in respect of the Digital Bonds will be permanently extinguished.

There is no recourse against any officer, director, employee, shareholder, independent contractor, member, manager, authorized person or incorporator of the Issuer for any amounts payable under the Digital Bonds.

Rights attached to the Digital Bonds

The holder of each Digital Bond has a secured limited recourse debt claim against the Issuer for the Early Termination Amount, the Early Redemption Amount, the Acceleration Payment Amount, the Final Payout Amount or the Depeg Settlement Amount (as applicable), payable in accordance with the applicable priorities of payment as set out in the Conditions out of the proceeds of the Collateral.

The Digital Bonds do not confer any proprietary interest in the Issuer or in the Underlying T-bills.

The Digital Bonds do not confer any shareholders' rights such as rights of attendance, dividend payments, other participation rights or voting rights in respect of the Issuer. The management of the Issuer is in the sole responsibility of the board of directors of Digital Bonds Ltd.

The Digital Bonds do not confer any claims or ownership rights in respect of the Underlying T-bills nor do they represent any participation in the Underlying T-bills. Therefore, Holders may not claim delivery of the Underlying T-bills and have no rights to participate in any decisions affecting the Underlying T-bills.

The Digital Bonds represent debt claims of the Issuer only and neither the Digital Bonds nor the Digital Bond Tokens or the Bond Token Receipts can be used or exchanged for products or services of the Issuer, the Tokenizer or any other party.

Listing and Admission to Trading

The Digital Bonds are not listed nor admitted to trading on any regulated or unregulated stock exchange, multilateral trading facility or organized trading facility in any jurisdiction or on any crypto exchange.

Description of the Blockchain Technology, the Bond Smart Contract and the Bond Token Vault Smart Contract

Ethereum

The Digital Bonds are issued as debt securities in bearer dematerialized form represented by Digital Bond Tokens exclusively on the Ethereum distributed ledger technology or blockchain (the "**distributed ledger technology**" or "**DLT**"). The Bond Smart Contract which creates ('mints') and administers the Digital Bond Tokens – delivering the Digital Bond Tokens, accepting payment of funding commitments, receiving Digital Bond Tokens on redemption, delivering redemption payments and burning the Digital Bond Tokens – is also housed on the DLT.

Ethereum is a decentralized blockchain (first layer protocol) with smart contract functionality. Ether (Abbreviation: ETH; sign: Ξ) is the native cryptocurrency of the platform. Among cryptocurrencies, Ether is currently second only to bitcoin in market capitalization. It is open-source software.

Ethereum was conceived in 2013 by programmer Vitalik Buterin. Additional founders of Ethereum included Gavin Wood, Charles Hoskinson, Anthony Di Iorio and Joseph Lubin. In 2014, development work began and was crowdfunded, and the network went live on 30 July 2015. Ethereum allows anyone to deploy permanent and immutable decentralized applications onto it, with which users can interact. Decentralized finance (DeFi) applications provide financial instruments which do not directly rely on financial intermediaries like brokerages, exchanges, or banks. This facilitates borrowing against cryptocurrency holdings or lending them out for interest. Ethereum also allows users to create and exchange non-fungible tokens (NFTs), which are tokens that can be tied to unique digital assets, such as images. Additionally, many other cryptocurrencies utilize the ERC-20 token standard on top of the Ethereum blockchain and have utilized the platform for initial coin offerings.

On 15 September 2022, Ethereum transitioned its consensus mechanism from proof-of-work (PoW) to proof-of-stake (PoS) in an upgrade process known as "the Merge".

Addresses

Ethereum addresses are composed of the prefix "0x" (a common identifier for hexadecimal) concatenated with the rightmost 20 bytes of the Keccak-256 hash of the ECDSA public key (the curve used is the so-called secp256k1). In hexadecimal, two digits represent a byte, and so addresses contain 40 hexadecimal digits after the "0x", e.g. 0xb794f5ea0ba39494ce839613fffba74279579268. Contract addresses are in the same format, however, they are determined by sender and creation transaction nonce.

Virtual machine

The Ethereum Virtual Machine (EVM) is the runtime environment for transaction execution in Ethereum. It includes, among other things, a stack, memory, gas balance, program counter, and the state (including contract code). The EVM is stack-based, in that most instructions pop operands from the stack and push the result to the stack. The EVM is designed to be deterministic on a wide variety of hardware and operating systems, so that given a pre-transaction state and a transaction, each node produces the same post-transaction state, thereby enabling network consensus. The formal definition of the EVM is specified in the Ethereum Yellow Paper.

Gas

Gas is a unit of account within the EVM used in the calculation of the transaction fee, which is the amount of ETH a transaction's sender must pay to the network to have the transaction included in the blockchain. Each type of operation which may be performed by the EVM is hardcoded with a certain gas cost, which is

intended to be roughly proportional to the monetary value of the resources (e.g. computation and storage) a node must expend or dedicate to perform that operation.

When a sender is creating a transaction, the sender must specify a gas limit and gas price. The gas limit is the maximum amount of gas the sender is willing to use in the transaction, and the gas price is the amount of ETH the sender wishes to pay to the network per unit of gas used. A transaction may only be included in the blockchain at a block slot that has a base gas price less than or equal to the transaction's gas price. The portion of the gas price that is in excess of the base gas price is known as the tip and goes to the block proposer; the higher the tip, the more incentive a block proposer has to include the transaction in their block, and thus the quicker the transaction will be included in the blockchain. The sender buys the full amount of gas (i.e. their ETH balance is debited the amount: gas limit × gas price) up-front, at the start of the execution of the transaction, and is refunded at the end for any unused gas. If at any point the transaction does not have enough gas to perform the next operation, the transaction is reverted but the sender is still only refunded for the unused gas. In user interfaces, gas prices are typically denominated in gigawei (Gwei), a subunit of ETH equal to 10−9 ETH.

Applications

The EVM's instruction set is Turing-complete. Popular uses of Ethereum have included the creation of fungible (ERC-20) and non-fungible (ERC-721) tokens with a variety of properties, crowdfunding (e.g. initial coin offerings), decentralized finance, decentralized exchanges, decentralized autonomous organizations (DAOs), games, prediction markets, and gambling.

Contract source code

Ethereum's smart contracts are written in high-level programming languages and then compiled down to EVM bytecode and deployed to the Ethereum blockchain. They can be written in Solidity (a language library with similarities to C and JavaScript), Serpent (similar to Python, but deprecated), Yul (an intermediate language that can compile to various different backends—EVM 1.0, EVM 1.5, and eWASM are planned), LLL (a low-level Lisp-like language), and Mutan (Go-based, but deprecated). There was also a research-oriented language under development called Vyper (a strongly-typed Python-derived decidable language). Source code and compiler information are usually published along with the launch of the contract so that users can see the code and verify that it compiles to the bytecode that is on-chain.

One issue related to using smart contracts on a public blockchain is that bugs, including security holes, are visible to all but cannot be fixed quickly. One example of this is the 2016 attack on the DAO, which could not be quickly stopped or reversed.

ERC-20 tokens

The ERC-20 (Ethereum Request-for-Comments #20) Token Standard allows for fungible tokens on the Ethereum blockchain. The standard, proposed by Fabian Vogelsteller in November 2015, implements an API for tokens within smart contracts. The standard provides functions that include the transfer of tokens from one account to another, getting the current token balance of an account, and getting the total supply of the token available on the network. Smart contracts that correctly implement ERC-20 processes are called ERC-20 Token Contracts, and they keep track of created tokens on Ethereum. Numerous cryptocurrencies have launched as ERC-20 tokens and have been distributed through initial coin offerings.

ERC-4626 Token Vaults

ERC4626 is an extension of the ERC20 standard https://eips.ethereum.org/EIPS/eip-4626, offering a standardized interface (API) for tokenized Vaults representing shares of a single underlying EIP-20 token. This standard is an extension on the EIP-20 token that provides basic functionality for depositing and withdrawing tokens and reading balances.

This standard supports a variety of contracts, such as lending services, aggregators, and interest-earning tokens.

Depending on the vault's performance, users can withdraw their initial deposit along with any earned profit or incurred loss, at which point their shares are cancelled, signifying the end of their ownership.

The vault's operations are managed by an owner who invests the deposited tokens into various DeFi protocols to generate yield. The success of these investments determines the profit or loss of the vault, which in turn affects the value users receive upon withdrawal.

In the case of the Bond Token Vault, the only transactions permitted in the Digital Bond Tokens are deposits, withdrawals and transfers (exclusively triggered by Holders) and their exchange on their Maturity Date for digital bond tokens representing Rollover Bonds (exclusively triggered by the Vault Owner using the Rollover Function of the Bond Token Vault Smart Contract). The number of digital bond tokens representing Rollover Bonds deposited upon a Rollover is a function of the price differential between the Maturing Bonds (priced at their Final Payout Amount) and the Rollover Bonds, reflecting the yield earned on the Maturing Bonds. Each Holder's percentage share of the digital bond tokens ('assets') in the Bond Token Vault is the same immediately following each Rollover as immediately prior to it, with the number of digital bond tokens represented by such share being a function of the total number of digital bond tokens representing Rollover Bonds deposited in the Bond Token Vault upon the Rollover Settlement.

Deposits and Share Allocation

When users deposit tokens into the vault, the contract calculates the number of shares to mint in response to the increase in the vault's total token balance. The number of shares minted is proportional to the increase in the balance of assets in the vault. This ensures that the allocation of shares is fair and directly related to the size of the deposit.

This principle is straightforward: if a deposit increases the vault's token balance by a certain percentage, the number of total shares increases by the same percentage, ensuring equity among all participants.

Upon withdrawal, the process reverses: shares are burned, and users receive their tokens back, adjusted for any gains or losses the vault has experienced. This mechanism ensures a transparent and equitable system for all users involved in the vault.

All EIP-4626 tokenized Vaults MUST implement EIP-20 to represent shares. If a Vault is to be non-transferrable, it may revert on calls to transfer or transfer From. The EIP-20 operations balanceOf, transfer, totalSupply, etc. operate on the Vault "shares" which represent a claim to ownership on a fraction of the Vault's underlying holdings.

All EIP-4626 tokenized Vaults MUST implement EIP-20's optional metadata extensions. The name and symbol functions SHOULD reflect the underlying token's name and symbol in some way.

EIP-4626 tokenized Vaults MAY implement EIP-2612 to improve the UX of approving shares on various integrations.

Definitions

- asset: The underlying token managed by the Vault. Has units defined by the corresponding EIP-20 contract.
- share: The token of the Vault. Has a ratio of underlying assets exchanged on mint/deposit/withdraw/redeem (as defined by the Vault).

- fee: An amount of assets or shares charged to the user by the Vault. Fees can exists for deposits, yield, AUM, withdrawals, or anything else prescribed by the Vault.
- slippage: Any difference between advertised share price and economic realities of deposit to or withdrawal from the Vault, which is not accounted by fees.

Rationale

The Vault interface is designed to be optimized for integrators with a feature complete yet minimal interface. Details such as accounting and allocation of deposited tokens are intentionally not specified, as Vaults are expected to be treated as black boxes on-chain and inspected off-chain before use.

EIP-20 is enforced because implementation details like token approval and balance calculation directly carry over to the shares accounting. This standardization makes the Vaults immediately compatible with all EIP-20 use cases in addition to EIP-4626.

The mint method was included for symmetry and feature completeness. Most current use cases of share-based Vaults do not ascribe special meaning to the shares such that a user would optimize for a specific number of shares (mint) rather than specific amount of underlying (deposit). However, it is easy to imagine future Vault strategies which would have unique and independently useful share representations.

The convertTo functions serve as rough estimates that do not account for operation specific details like withdrawal fees, etc. They were included for frontends and applications that need an average value of shares or assets, not an exact value possibly including slippage or other fees. For applications that need an exact value that attempts to account for fees and slippage there is included a corresponding preview function to match each mutable function. These functions must not account for deposit or withdrawal limits, to ensure they are easily composable, the max functions are provided for that purpose.

Backwards Compatibility

EIP-4626 is fully backward compatible with the EIP-20 standard and has no known compatibility issues with other standards. For production implementations of Vaults which do not use EIP-4626, wrapper adapters can be developed and used.

Reference Implementation

See Solmate EIP-4626: a minimal and opinionated implementation of the standard with hooks for developers to easily insert custom logic into deposits and withdrawals.

See Vyper EIP-4626: a demo implementation of the standard in Vyper, with hooks for share price manipulation and other testing needs.

Security Considerations

Fully permissionless use cases could fall prey to malicious implementations which only conform to the interface but not the specification. It is recommended that all integrators review the implementation for potential ways of losing user deposits before integrating.

If implementors intend to support EOA account access directly, they should consider adding an additional function call for deposit/mint/withdraw/redeem with the means to accommodate slippage loss or unexpected deposit/withdrawal limits, since they have no other means to revert the transaction if the exact output amount is not achieved.

The methods totalAssets, convertToShares and convertToAssets are estimates useful for display purposes, and do *not* have to confer the *exact* amount of underlying assets their context suggests.

The preview methods return values that are as close to exact as possible. For that reason, they are manipulable by altering the on-chain conditions and are not always safe to be used as price oracles.

This specification includes convert methods that are allowed to be inexact and therefore can be implemented as robust price oracles. For example, it would be correct to implement the convert methods as using a time-weighted average price in converting between assets and shares.

Integrators of EIP-4626 Vaults should be aware of the difference between these view methods when integrating with this standard. Additionally, note that the amount of underlying assets a user may receive from redeeming their Vault shares (*previewRedeem*) can be significantly different than the amount that would be taken from them when minting the same quantity of shares (*previewMint*). The differences may be small (like if due to rounding error), or very significant (like if a Vault implements withdrawal or deposit fees, etc). Therefore integrators should always take care to use the preview function most relevant to their use case, and never assume they are interchangeable.

Finally, EIP-4626 Vault implementers should be aware of the need for specific, opposing rounding directions across the different mutable and view methods, as it is considered most secure to favor the Vault itself during calculations over its users:

- If (1) it's calculating how many shares to issue to a user for a certain amount of the underlying tokens they provide or (2) it's determining the amount of the underlying tokens to transfer to them for returning a certain amount of shares, it should round *down*.

- If (1) it's calculating the amount of shares a user has to supply to receive a given amount of the underlying tokens or (2) it's calculating the amount of underlying tokens a user has to provide to receive a certain amount of shares, it should round *up*.

The only functions where the preferred rounding direction would be ambiguous are the *convertTo* functions. To ensure consistency across all EIP-4626 Vault implementations it is specified that these functions MUST both always round *down*. Integrators may wish to mimic rounding up versions of these functions themselves, like by adding 1 wei to the result.

Although the convertTo functions should eliminate the need for any use of an EIP-4626 Vault's decimals variable, it is still strongly recommended to mirror the underlying token's decimals if at all possible, to eliminate possible sources of confusion and simplify integration across front-ends and for other off-chain users.

The Bond Token Vault mirrors the decimals of the Digital Bond Tokens (which in turn mirror the decimals of their currency denomination, USDC), each being rounded to 6 decimal places.

Openzeppelin's ERC-4626 Vault

Openzeppelin provides a base implementation of ERC=4626 that includes a simple vault. This contract is designed in a way that allows developers to easily re-configure the vault's behavior.

The Bond Token Vault is designed in accordance with the Ethereum ERC-4626 standard as implemented by Openzeppelin, with a few variations to the smart contract functions, including the addition of the Rollover Function.

The contract description is as follows:

1. constructor(IERC20 asset_)

This is the function called when the contract is deployed. It initializes the vault with a specific underlying asset, which is the ERC20 token that the vault will manage.

The constructor tries to fetch the decimals of the underlying asset to ensure that share calculations accurately reflect the asset's denomination.

If it cannot fetch the decimals, it defaults to 18, a common standard for ERC20 tokens. This setup is critical for ensuring that all mathematical operations within the vault consider the correct scale of the asset.

Public / External Functions

These functions are designed to be called by users or other contracts. They form the core interface through which interactions with the vault occur:

1. deposit

Purpose: Allows users to deposit the underlying assets into the vault.
Parameters:

- assets : The amount of the underlying asset to deposit
- receiver : The address that will receive the shares corresponding to the deposited assets.

Returns: The number of shares minted to the receiver as a result of the deposit.
Behavior: This function calculates the amount of shares that should be minted in exchange for the deposited assets, based on the current exchange rate between assets and shares. It then mints these shares to the receiver address.

2. mint

Purpose: Allows users to mint shares directly, specifying the desired amount of shares instead of the asset amount.
Parameters:

- shares : The amount of shares the user wants to mint
- receiver : The address that will receive the minted shares

Returns: The amount of assets that were deposited into the vault in exchange for the minted shares.
Behavior: This function calculates the necessary amount of the underlying assets needed to mint the specified amount of shares. It then transfers these assets from the caller to the vault and mints the shares to the receiver .

3. withdraw

Purpose: Allow shares' owners to withdraw the underlying assets from the vault.
Parameters:

- assets : The amount of the underlying assets to withdraw
- receiver : The address that will receive the assets
- owner : The address from which the shares will be burned

Returns: The number of shares that were burned in exchange for the withdrawn assets.
Behavior: This function calculates the amount of shares that corresponds to the requested asset withdrawal amount. It burns the calculated shares from the owner 's balance and transfers the requested assets from the vault to the receiver .

4. redeem

Purpose: Allows users to redeem shares for the underlying assets.
Parameters:

- shares : The amount of shares to redeem.
- receiver : The address that will receive the underlying assets corresponding to the redeemed shares
- owner : The address from which the shares will be burned

Private / Internal Functions

1. _convertToShares

Purpose: Converts an amount of the underlying assets to the equivalent amount of shares, based on the current exchange rate within the vault.
Parameters:

- assets : The amount of the underlying assets to be converted into shares
- rounding : The rounding direction to be used in the calculation.

Returns: The calculated amount of shares that correspond to the specified amount of assets.
Behavior: This function uses the vault's current total asset holdings and shares supply to determine the exchange rate between assets and shares. It then applies this rate to the specified asset amount, adjusting for rounding as specified, to calculate the equivalent amount of shares.

2. _convertToAssets

Purpose: Converts a specified amount of shares back into the underlying assets, reflecting the current value of those shares within the vault.
Parameters:

- shares : The amount of shares to be converted into assets
- rounding : The direction of rounding to apply in the conversion process

Returns: The amount of underlying assets equivalent to the specified amount of shares.
Behavior: Leveraging the vault's total shares and asset balance, this function determines the value of a single share. It then calculates the total asset value of the specified share amount, again considering the desired rounding direction.

3. _deposit

Purpose: Manages the internal mechanics of depositing assets into the vault and minting the corresponding shares.
Parameters:

- caller : The address initiating the deposit
- receiver : The address designated to receive the newly minted shares.
- assets : The amount of assets being deposited
- shares : The amount of shares to be minted in exchange for the deposited assets.

Behavior: This function safely transfers the specified asset amount from the caller to the vault. It then mints the calculated share amount to the receiver . This process ensures asset custody is securely transferred and accurately reflected in the minting of shares.

4. _withdraw

Purpose: Handles the process of burning shares and transferring the corresponding asset amount from the vault to the receiver.
Parameters:

- caller : The address requesting the withdrawal

- receiver : The address to receive the assets corresponding to the burned shares.
- owner : The address from which the shares are being redeemed.
- assets : The amount of assets to transfer to the receiver.
- shares : The amount of shares to be burned from the owner's balance.

Behavior: This function first verifies and then spends the share allowance if the caller is not the owner . It burns the specified amount of shares from the owner 's balance, ensuring that share supply accurately reflects the withdrawal.
Subsequently, it transfers the calculated asset amount to the receiver, completing the redemption process.

Getter Functions

1. asset

Purpose: Retrieves the address of the underlying asset token that the vault manages.
Returns: The address of the ERC20 token is considered as the underlying asset of the vault.

2. totalAssets

Purpose: Provides the total amount of the underlying assets currently held in the vault.
Returns: A uint256 representing the total balance of the underlying assets within the vault.

3. convertToShares

Purpose: Calculates how many shares a given amount of the underlying assets would be converted into, based on the current state of the vault.
Parameters:

- assets : The amount of the underlying assets to be converted.

Returns: The equivalent amount of shares for the given asset amount.

4. convertToAssets

Purpose: Determines the amount of underlying assets that corresponds to a specific number of shares.
Parameters:

- shares : The number of shares to convert into the underlying assets.

Returns: The amount of underlying assets equivalent to the specified shares.

5. maxDeposit

Purpose: Indicates the maximum amount of the underlying assets that can be deposited for a specific address at the moment of the query.
Parameters:

- An address for which the maximum deposit amount is queried.

Returns: The maximum deposit amount in terms of the underlying assets.

6. maxMint

Purpose: Shows the maximum number of shares that can be minted for a particular address at the time of the call.
Parameters:

- An address for which the maximum mint amount is being queried.

Returns: The maximum number of shares that can be minted.

7. maxWithdraw

Purpose: Specifies the maximum amount of the underlying assets that can be withdrawn from the vault, corresponding to the shares held by a particular address.
Parameters:

- owner : The address of the shareowner.

Returns: The maximum amount of assets that can be withdrawn by the owner.

8. maxRedeem

Purpose: Defines the maximum number of shares that can be redeemed for the underlying assets by a specific address.
Parameters:

- owner : The address of the shareowner.

Returns: The maximum number of shares that can be redeemed.

9. previewMint

Purpose: Offers a preview of the amount of the underlying assets required to mint a specified number of shares, without making the transaction.
Parameters:

- shares : The number of shares to be minted.

Returns: The amount of underlying assets needed to mint the specified shares.

10. previewWithdraw

Purpose: Gives an estimate of the number of shares that would need to be burned to withdraw a specified amount of the underlying assets, before any transaction.
Parameters:

- assets : The amount of the underlying assets to withdraw

Returns: The number of shares that would be burned for the specified asset amount.

11. previewRedeem

Purpose: Provides an estimate of the amount of the underlying assets that would be returned for redeeming a specific number of shares, before executing the transaction.
Parameters:

- shares : The number of shares to redeem

Returns: The amount of underlying assets that would be obtained for the specified shares.

12. decimals

Purpose: Overrides the ERC20 **decimals** method to reflect the decimal precision of the vault's shares, which may differ from the underlying asset's decimals, particularly if a **_decimalsOffset** is applied.
Returns: The number of decimal places used for the vault’s shares.

Investor Screening and Whitelisting

The Investor Screening is a verification of the eligibility of potential investors and Holders to invest in and hold the Digital Bonds, including without limitation, in accordance with the Transfer Restrictions (as defined in Condition 6)b) (*Transfer Restrictions - Selling Restrictions, Sanctions Restrictions and Eligibility Criteria*) and includes sanctions, anti-money laundering and anti-terrorist financing checks, client categorization and other verification procedures to confirm that investors are not located in an excluded jurisdiction and are otherwise eligible to purchase the Digital Bonds. Investor Screening may include, among other things, provision of such certification or evidence of non-U.S. beneficial ownership as the Issuer or, following the occurrence of a Realization Event, the Security Agent, may require and provision of such documents as may be required in order to verify the identity, source of wealth and source of funds of each potential investor or Holder and to confirm the potential investor or Holder meets all other Eligibility Criteria (as defined in Paragraph 4 (*Eligibility Criteria*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions.

The same Investor Screening processes will be conducted by the Tokenizer for all potential investors and Holders of the Digital Bonds upon their primary issuance and prior to any payment being made to each Holder upon any early termination, early redemption, partial early redemption or acceleration of the Digital Bonds, upon their final redemption on the Maturity Date and on behalf of the Security Agent in connection with the distribution of the Net Realization Proceeds to the Holders following the occurrence of a Realization Event and any enforcement of the Security.

The Investor Screening process is completed through the interface of the Pivio Platform. Use of the Pivio Platform is governed by the platform terms of use accessible from the home page of the website www.pv0.one, as updated by the Tokenizer from time to time (the "**Terms of Use**"). Holders who have acquired Digital Bond Tokens or Bond Token Receipts through secondary market transactions ("**Secondary Transferees**") should contact the Tokenizer via the Pivio Platform to complete Investor Screening prior to the Maturity Date (or any other payment date in respect of the Digital Bonds) and immediately upon the issuance by the Issuer of a Realization Event Notice in accordance with Condition 23) (*Realization Event*) to ensure that they are able to claim amounts payable directly through the Bond Smart Contract.

The Tokenizer will onboard each potential investor on behalf of the Issuer and thoroughly conduct Investor Screening procedures with a view to adding the investors and their digital wallet addresses to a list of pre-approved digital wallet addresses of eligible participants maintained by the Tokenizer (the "**Digital Wallet Whitelist**").

The Digital Wallet Whitelist includes a record of the specific blockchain address(es) linked to each investor and related permissions. Inclusion in the Digital Wallet Whitelist is required in order for any potential investor to subscribe for and for any Holder to benefit from the economic rights afforded by the Digital Bonds (including the right to receive any payments) and for certain other interactions with the Bond Smart Contract. Only potential investors whose digital wallet addresses have been added to the Digital Wallet Whitelist will be permitted to submit a Subscription Order in respect of the Digital Bonds.

Any subscription, redemption payment or other payment flow to and from any potential investor in the Digital Bonds or any Holder is therefore subject to successful completion by such potential investor or Holder of Investor Screening procedures and inclusion of the approved investor's or Holder's linked digital wallet address in the Digital Wallet Whitelist. The Issuer or the Tokenizer acting on its behalf or on behalf of the Security Agent (following the occurrence of a Realization Event) has the right to refuse to add such potential investor's or Holder's digital wallet address to the Digital Wallet Whitelist and the Issuer, the Tokenizer or the Security Agent (as applicable) may reject any subscription, payment or redemption request if, in its sole and absolute discretion, there are negative findings during the Investor Screening process or such process is not satisfactorily completed.

The Issuer (or the Tokenizer acting on its behalf) or the Security Agent may also determine to add the digital wallet address of the potential investor or Holder to the Digital Wallet Blacklist (as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions), which prevents any transactions involving the Digital Bond Tokens or the Bond Token Receipts (including any receipt or transfer) involving such digital wallet address.

None of the Issuer, the Arranger, the Tokenizer or the Security Agent shall be liable to any potential investor or Holder or any other person in respect of any loss suffered as a result of any refusal to include a digital wallet address on the Digital Wallet Whitelist or to add or maintain such digital wallet address on the Digital Wallet Blacklist.

Any attempt to make a payment into the Bond Smart Contract or to claim any redemption or other payment from the Bond Smart Contract emanating from a digital wallet address which is not included in the Digital Wallet Whitelist will be automatically rejected by the Bond Smart Contract.

The Bond Smart Contract is programmed not to interact with any digital wallet address which is not included in the Digital Wallet Whitelist, thus rendering the Digital Bond Tokens economically worthless to any Holder who has not successfully completed Investor Screening and whose digital wallet address is not included in the Digital Wallet Whitelist.

Persons refusing or unable or for any other reason failing to provide sufficient information to enable the Tokenizer to establish their identity, geographic location, non-retail (or equivalent) investor status and their eligibility otherwise to purchase the Digital Bonds, such that they cannot be included in the Digital Wallet Whitelist will not be permitted to subscribe for the Digital Bonds nor to exercise any economic rights under the Digital Bonds, including the right to submit a claim for a redemption or other payment (whether at Maturity, upon any Early Termination or Early Redemption of the Digital Bonds or upon the occurrence of a Realization Event).

No Investor Screening on Secondary Transfers - Holder Acknowledgements

Each Holder, by acquiring the Digital Bonds, is deemed to acknowledge and agree that:

(1) none of the Issuer, the Arranger, the Tokenizer or the Security Agent will conduct Investor Screening procedures on behalf of Holders in relation to Secondary Transferees of Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts); and

(2) the Issuer may take any and all actions that the Issuer may determine, in its sole and absolute discretion and without liability to any Holder, to be necessary or appropriate to prevent (or to facilitate or support the prevention of) any or all unauthorized transfers of the Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts) in breach of Condition 6) (*Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria*) or to enforce (or to facilitate or support the enforcement of) the Transfer Restrictions and Eligibility Criteria, including but not limited to:

a. requiring any Holder which has acquired Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts) in breach of such Transfer Restrictions or the Eligibility Criteria to transfer such Digital Bonds to another eligible Person;

b. adding or maintaining the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist; or

c. withholding any payment otherwise due under the Digital Bonds to such ineligible Holder,

(together, the "**Holder Acknowledgements**").

All Transferees of Digital Bonds, or any right or interest therein, (whether by receipt of Digital Bond Tokens or Bond Token Receipts) will receive and hold such Digital Bonds, right or interest subject to the Transfer Restrictions, the Holder Representations, the Holder Undertakings and the Holder Acknowledgements. See further "*Sanctions, Transfer Restrictions and Eligibility Criteria*" below.

Terms and Conditions of the Offer

Constitution of the Digital Bonds

The Issuer shall enter into a Deed Poll on 7 January 2025 for the benefit of the Holders (as defined in the Conditions) of the Digital Bonds from time to time and the Security Agent (for itself and in its capacity as agent for the Holders), which Deed Poll includes provisions constituting the Digital Bonds and providing for the Issuer's obligations under the Digital Bonds, including the Issuer's covenant to pay and incorporating the Conditions (as amended, restated and/or supplemented from time to time, the "**Deed Poll**"). The principal amount of the Digital Bonds to be issued pursuant to the Deed Poll (including, for the avoidance of doubt, the Digital Bonds issued on the Issue Date and any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*) is limited to USDC 25,000,000.

The Digital Bond Tokens are created by an ERC-20 smart contract on the DLT incorporating and implementing the provisions of the Deed Poll (including the Conditions) and having the functionalities set out in Condition 28) (*Bond Smart Contract Functionalities*) for the issuance and transfer of the Digital Bond Tokens on the DLT and the automated payment and redemption mechanisms of the Digital Bonds, which smart contract is deployed at the DLT address:

https://etherscan.io/address/0x1A4cFD8fc52FF3F4e66B18f4d355ad6a5111f2e6

(the "**Bond Smart Contract**").

The Bond Token Receipts are created by an ERC-4626 compliant smart contract on the DLT incorporating and implementing the provisions of the Deed Poll (including the Conditions) related to the operation of the Bond Token Vault on the DLT and the Automatic Rollover Subscription Option, which smart contract is deployed at the following DLT address:

https://etherscan.io/token/0x526Be1c610616be0e8e69893fC6766FddfBaDA61

(the "**Bond Token Vault Smart Contract**").

A link to a web address where an immutable executed original of the Deed Poll, together with the Security Deed and the Arrangement and Tokenization Services Agreement (together, the "**Available Documents**") can be viewed is included in the Bond Smart Contract and instructions for Receiptholders to access such documents in respect of the Vault Series from time to time are included in the Bond Token Vault Smart Contract. The Issuer (or the Tokenizer on its behalf) may not amend or substitute the Deed Poll (including the Conditions) or the other Available Documents other than in accordance with the Conditions or the terms of such Available Documents. The Issuer also publishes the latest version of the Deed Poll on the Pivio Platform: www.pv0.one (accessible only to potential investors or Holders using credentials provided by the Tokenizer). The Deed Poll is governed by English law.

The Digital Bonds (which term includes, unless the context otherwise requires, the Digital Bonds issued on the Issue Date and all Digital Bonds issued during an Additional Issuance Settlement Window pursuant to Condition 7)f) (*Additional Issuance Settlement Windows*), but excludes any Digital Bonds which have been redeemed by the Issuer in accordance with Condition 12)d) (*Redemption - Partial Early Redemption*)), are held subject to and have the benefit of the provisions of the Deed Poll (including the Conditions), the Arrangement and Tokenization Services Agreement and the Security Deed, each as amended, restated and/or supplemented from time to time.

The Digital Bonds are issued in bearer (dematerialized) form. Accordingly, none of the Issuer, the Tokenizer, the Security Agent or any other person will maintain a register of Holders of the Digital Bonds at any time.

None of the Issuer, the Tokenizer, the Holders, the Security Agent, the Custodian or any other person shall at any time have the right to effect or demand the conversion of the Digital Bonds, the Digital Bond Tokens or the Bond Token Receipts into, or the delivery of, individually certificated securities, uncertificated securities or book-entry securities.

Custody of the Digital Bond Tokens and the Bond Token Receipts is in the sole responsibility of the Holder. The Issuer is not obliged to and does not provide for a custody offering for the Digital Bond Tokens or the Bond Token Receipts. A deposit of Digital Bond Tokens into the Bond Token Vault does not place such Digital Bond Tokens into the custody of the Tokenizer, the Issuer or the Bond Token Vault. Such Digital Bond Tokens shall be treated for all purposes as remaining in the custody and control of the Receiptholder.

Sanctions Blacklist

Each of the Bond Smart Contract and the Bond Token Vault Smart Contract will automatically block interactions with any digital wallet address (including the transfer of any Digital Bond Tokens or Bond Token Receipts to and from such digital wallet address, any payment or request for payment into or from the Bond Smart Contract and any request to deposit or withdraw Digital Bond Tokens to or from the Bond Token Vault emanating from such digital wallet address) which is included on the sanctions blacklist maintained by Chainalysis Inc., (the "**Sanctions Blacklist**").

This function of the Bond Smart Contract and the Bond Token Vault Smart Contract is performed through the implementation of the Chainalysis Oracle smart contract, a sanctions screening tool which identifies digital wallet addresses linked to countries, territories, persons or entities which are listed on economic/trade embargo lists administered by Sanctions Authorities in the US, the UK, or the EU, or by the UN or which are included on the Specially Designated Nationals (SDN) list of the US Department of the Treasury's Office of Foreign Assets Control (OFAC). The term "**Sanctions Target**" refers to countries, persons and entities listed on such economic/trade embargo lists, with which anyone subject to those jurisdictions is prohibited from dealing and includes any person or entity which is located, organized or resident in, or has substantial commercial ties with, a country or territory that is the subject or target of comprehensive Sanctions, or which otherwise is the target of any Sanctions, including, without limitation, any entity or person controlled (howsoever such control or any equivalent concept is determined in accordance with the relevant Sanctions) or 50 percent or more owned in the aggregate, directly or indirectly, by any target or targets of Sanctions (irrespective of whether or not any such entity is an affiliate of the target of such Sanctions).

The Chainalysis standard terms and conditions apply to the Issuer's use of such service. The Chainalysis Oracle is a smart contract that validates if a cryptocurrency wallet address has been included in a sanctions designation. The Oracle smart contract is maintained by Chainalysis on a variety of popular blockchains and is regularly updated to reflect the latest sanctions designations listed on economic/trade embargo lists from organizations including the US, the UK, the EU, or the UN. The Oracle smart contract is available for anyone to use and does not require a customer relationship with Chainalysis.

Compliance with Sanctions Restrictions

By acquiring the Digital Bonds, Holders are deemed to have reviewed, understood, consented to and undertaken to comply with, the Sanctions Restrictions set out in this Offering Memorandum and in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions. See "*Sanctions, Transfer Restrictions and Eligibility Criteria*" below.

Digital Wallet Blacklist

A digital wallet blacklist maintained by the Tokenizer (the "**Digital Wallet Blacklist**") includes any digital wallet address that is or becomes known to the Tokenizer (through the Investor Screening process or otherwise) to be associated with a person or entity which is a Sanctions Target (as defined in Paragraph 2

(*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions) or in relation to which the person or entity having control over such digital wallet address fails to satisfactorily complete Investor Screening (which may include failure by the person or entity to satisfy any of the Eligibility Criteria) and/or the Tokenizer knows or (in its absolute discretion) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime, or which the Tokenizer otherwise determines to include on such list in accordance with Condition 28) (*Bond Smart Contract Functionalities*).

Each of the Bond Smart Contract and the Bond Token Vault Smart Contract is also programmed to automatically block any transaction with a digital wallet address (including the transfer of any Digital Bond Tokens or Bond Token Receipts to and from such digital wallet address, any payment or request for payment into or from the Bond Smart Contract and any request to deposit or withdraw Digital Bond Tokens to or from the Bond Token Vault emanating from such digital wallet address) which is included on the Digital Wallet Blacklist.

Procedure for the exercise of rights under the Digital Bonds

The right to receive any redemption payments or other distributions under the Digital Bonds is exercisable only by a Holder which, in the sole determination of the Tokenizer acting on behalf of the Issuer, or following the occurrence of a Realization Event, the Security Agent, has successfully completed the applicable Investor Screening procedures, including, among other things, the provision of documents and information sufficient to enable the Tokenizer to establish its identity, its non-U.S. beneficial ownership, its client categorization (as a professional/accredited investor or equivalent and not a retail investor or equivalent, each as defined under the laws of their home jurisdiction) and its satisfaction of all other applicable criteria to be eligible to subscribe for the Digital Bonds or to receive any payments thereunder. (See "*Sanctions, Transfer Restrictions and Eligibility Criteria*" below).

Upon successful completion of Investor Screening, such investor's digital wallet address will be added to the Digital Wallet Whitelist, enabling the investor to subscribe for or purchase Digital Bonds and to claim payments under the Digital Bonds using Digital Bond Tokens held in such digital wallet address.

Holders of the Digital Bonds are required to submit their claims for redemption payments under the Digital Bonds through the Bond Smart Contract, which is programmed to deliver the amount due to each Holder upon successful submission by such Holder of a payment claim, triggering the automatic burning of the corresponding Digital Bond Tokens. If there are no Digital Bond Tokens credited to a digital wallet, any payment claim submitted to the Bond Smart Contract from such digital wallet will fail. As such, Receiptholders must first make a Bond Token Withdrawal to obtain Digital Bond Tokens in order to submit any payment claim in respect of the Digital Bonds represented thereby. The Bond Smart Contract is also designed such that only digital wallet addresses included in the Digital Wallet Whitelist and which are not included on the Digital Wallet Blacklist or the Sanctions Blacklist have the technical permission to interact with its payment mechanism. As such, any Holder which has not completed Investor Screening upon its acquisition of the Digital Bond Tokens or Bond Token Receipts (such as in a secondary market purchase transaction) will be required to contact the Tokenizer to complete the Investor Screening process prior to submitting a request for any payment through the Bond Smart Contract. Any request for payment submitted to the Bond Smart Contract which emanates from a digital wallet address not included on the Digital Wallet Whitelist will be automatically rejected by the Bond Smart Contract.

In the event any Holder's payment claim is rejected by the Bond Smart Contract, such Holder should follow the procedures outlined in Condition 21) (*Payment Claim Failure*). Holders should not attempt to send Digital Bond Tokens to the Bond Smart Contract other than by using the 'claim repayment' function on the Pivo Platform, unless expressly instructed to do so by the Tokenizer.

Description of the Settlement Procedures of the Digital Bonds

Please refer to the section of this Offering Memorandum entitled "*Issuance and Redemption*", which describes the settlement procedures for the Digital Bonds upon their issuance, early termination, early redemption, partial early redemption and redemption at maturity.

The settlement procedures applicable in the case of a Depeg Event are as set out in Condition 34) (*Depeg Event*).

The procedures for the distribution of any Net Realization Proceeds by the Issuer in connection with an Acceleration in accordance with Condition 24)b) (*Enforcement – Acceleration*) are as set out in Condition 17)h) (*Settlement – Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds*).

The procedures for the distribution of any Net Realization Proceeds by the Security Agent following the occurrence of a Realization Event and enforcement of the Security are as set out in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*).

No Holder Representation

Other than the Security Agent, there is no agent or representative of the interests of the Holders of the Digital Bonds. The role of the Security Agent is limited to taking steps to enforce the Security and distribute the Net Realization Proceeds to the Holders and to take the other steps expressly included in the Holder Instructions.

The Conditions make no provision for meetings of the Holders or any other method for the consideration or passing of resolutions of the Holders of the Digital Bonds and contain no procedures for the Issuer or the Security Agent to consult with the Holders of the Digital Bonds in respect of any matters affecting their interests, including, without limitation, the making of any changes to the Conditions of the Digital Bonds or the Available Documents not falling within the Issuer's discretion under Condition 45) (*Modifications; Updating of Documents*), waivers of any breaches of the Conditions, or the giving of instructions to the Security Agent with regard to the enforcement of the Security which are different from or not included in the Holder Instructions. There is no party with the ability to consider and approve any proposed amendments to the provisions of the Available Documents or the Conditions of the Digital Bonds on behalf of the Holders to ensure that the Issuer's determination that such amendments are not prejudicial to the interests of the Holders is fair and reasonable.

Upon the occurrence of a Realization Event in respect of the Digital Bonds, the rights of the Holders under the Conditions of the Digital Bonds and in respect of the Collateral (including enforcement of the Security) are exercised by the Security Agent (acting on its own behalf and as agent for the Holders) in accordance with the Holder Instructions. The Holders do not have the right or the ability to take any steps to directly enforce the Security or to modify the Holder Instructions.

Therefore, no steps are required or permitted to be taken by the Holders in respect of the exercise of their rights under the Digital Bonds upon the occurrence of a Realization Event and in relation to the enforcement of the Security. Holders will be informed of the status of any enforcement of the Security and liquidation of the Collateral via notices posted on the Pivio Platform by the Tokenizer on the Security Agent's instructions (in accordance with the Holder Instructions). See "*Collateral and Summary of Security Arrangements*" below.

Authorization

The issuance of the Digital Bonds has been authorized by a resolution of the Board of Directors of Digital Bonds Ltd dated 7 January 2025.

Tax Restrictions

Investors should be aware that tax legislation, rules and fiscal practice of the authorities of the Holder's domicile, of the Issuer's country of incorporation and of any jurisdiction from or through which any payments under the Digital Bonds are or are deemed to be made (including the United States), may have an adverse impact on the income received from the Digital Bonds. The tax treatment for each Holder depends on their specific tax situation. All potential investors are advised to consult with their professional tax advisors as to the respective jurisdictional tax consequences of the purchase, ownership, disposition, lapse, exercise or redemption of the Digital Bonds in light of their particular circumstances.

In accordance with Condition 27) (*Taxation*), payments under the Digital Bonds will be made free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature (together, "**Taxes**") imposed, levied, collected withheld or assessed by or on behalf of Bermuda, the United Kingdom or any other relevant jurisdiction, any political subdivision thereof or any authority therein or thereof having the power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. If any withholding or deduction is required by law, the Issuer, the Security Agent and any Paying Agent will have the right, but not the duty, to withhold or deduct from any amounts otherwise payable such amount as the Issuer determines in its sole discretion is sufficient for the payment of such Taxes.

No additional amounts will be payable by the Issuer or any other party to any Holder in respect of any such amounts deducted or withheld from any payment due to the Holder under the Digital Bonds.

Each Holder is responsible for any and all Taxes imposed on or levied against (or which could be imposed on or levied against) such Holder in any jurisdiction or by any governmental or regulatory authority.

Automatic Exchange of Information in Tax Matters

Bermuda has committed, along with a substantial number of other countries, to the implementation of the Organisation for Economic Co-operation and Development (the "**OECD**") Standard for Automatic Exchange of Financial Account Information – Common Reporting Standards (the "**CRS**"). The International Cooperation (Tax Information Exchange Agreements) Act 2005 and the International Cooperation (Tax Information Exchange Agreements) Common Reporting Standard Regulations 2017 (each as amended) give effect to the CRS, and require "Financial Institutions" to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS and to adopt and implement written policies and procedures setting out how it will address its respective obligations under the CRS.

Each owner of an interest in the Digital Bonds will be required to provide the Issuer and the Security Agent, as applicable, or their agents with information necessary to enable the Issuer to achieve FATCA Compliance as discussed above. Owners that do not supply required information, or whose ownership of Digital Bonds may otherwise prevent the Issuer from achieving FATCA Compliance (for example by causing the Issuer to be affiliated with a non-compliant foreign financial institution), may be subjected to punitive measures, including forced transfer of their Digital Bonds. There can be no assurance, however, that these measures will be effective, and as a consequence, the Issuer and owners of the Digital Bonds may be subject to the noted withholding taxes, fines and penalties. The imposition of such taxes, fines or penalties could materially affect the Issuer's ability to make payments on the Digital Bonds or could reduce such payments.

Prospective investors should consult their own tax advisors regarding the potential implications of FATCA, the Bermuda FATCA Legislation and the CRS.

Information concerning the Underlying T-bills

The Digital Bonds are backed on a 1-to-1 basis by U.S. government-issued treasury bills having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Digital Bonds and

maturing on 4 February 2025, under the ISIN US912797NF01 / CUSIP 912797NF0 registered in the name of Digital Bonds Ltd (the "**Underlying T-bills**") and held for the Issuer with the Custodian.

On the Tokenizer's instructions, the transaction for the purchase of the Underlying T-bills by the Issuer from the Broker will be entered into following the Pricing Time and settled on the Issue Date, upon which they will be credited to the Issuer's Securities Collateral Account with the Custodian (and held in an account of the Custodian with the Sub-Custodian). In the case of Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*), the transaction for the purchase of additional Underlying T-bills will be entered into and settled upon expiry of such Additional Issuance Settlement Window.

Other than in the case of an Early Termination, Early Redemption, Partial Early Redemption or Acceleration of the Digital Bonds (upon which the Underlying T-bills will be sold and the proceeds of such sale applied by the Issuer towards payment of the Early Termination Amount, the Early Redemption Amount, the Partial Early Redemption Amount or the Acceleration Amount (as applicable)), the Underlying T-bills may not be withdrawn, traded or dealt with by the Issuer, but will be held in the Securities Collateral Account in accordance with the Brokerage and Custody Agreement until they mature on the Maturity Date of the Digital Bonds). The Issuer receives a statement of the balance of the Underlying T-bills credited to the Securities Collateral Account from the Custodian on a daily basis. This information will be available to Holders from the Tokenizer at any time upon request.

Upon their maturity, the USD repayment proceeds of the Underlying T-bills received by the Issuer will be credited to the Cash Collateral Account and applied by the Issuer towards payment of the Final Payout Amount payable under the Digital Bonds.

The Underlying T-bills will be sold by the Custodian only on the instructions of the Tokenizer (acting on the Issuer's behalf) in the event of an Early Termination, Early Redemption, Partial Early Redemption or Acceleration of the Digital Bonds or on the Security Agent's behalf (itself acting in accordance with the Holder Instructions) following the occurrence of a Realization Event.

Collateral and Summary of Security Arrangements

Method of Collateralization

Creating a valid security interest in collateral generally involves two steps: "attachment" and "perfection". Attachment refers to the creation of the security interest in the specified collateral and gives rights to the secured party against the debtor. Perfection gives rights to the secured party against other creditors asserting rights in the same collateral. A security interest attaches when created or granted pursuant to a security deed. Perfection of the security interest occurs by a variety of methods depending on the type of collateral involved, such as taking possession of the collateral.

A Provision of the Security for the Digital Bonds ("Attachment"):

The Digital Bonds are secured for the benefit of the Holders (represented by the Security Agent) under the Security Deed.

The security interests created under the Security Deed over the Collateral are only granted to the Security Agent for its benefit and for the benefit of the Holders of the Digital Bonds (as their agent and not as a trustee) and not to any other creditors of the Issuer.

B Asserting rights in the Collateral ("Perfection"):

In the case of a security interest granted over financial assets held by a custodian in the form of book-entry securities such as the Underlying T-bills and related cash, perfection is achieved by acquiring "control" over the secured party's security entitlement in those assets. This is accomplished through a securities account control agreement, which is a tripartite agreement entered into in favour of the secured party, among: (i) the customer/debtor (such as the Issuer), as borrower pledging such financial assets as collateral; (ii) the intermediary, i.e. a depository institution such as the Custodian, maintaining the relevant financial assets in securities and/or cash account(s) maintained on behalf of, and in the name of, the customer/debtor, i.e. the Issuer; and (iii) the beneficiary, i.e. the Security Agent, acting in its own name and on its own account and for the benefit of the Holders as their agent).

Pursuant to a securities account control agreement, the parties agree that the intermediary will comply with any instructions issued by the secured party with respect to the disposition of the financial assets in the specified securities and/or cash account(s) without the need for further consent from the debtor. Once that agreement is in place, the secured party is deemed to have "control" over the specified securities or cash account(s), and its security interest is therefore "perfected". In addition to perfecting a security interest, a securities account control agreement enables the secured party, when exercising remedies, to direct the disposition of the assets in the respective securities and/or cash account(s) as well as to prevent the debtor from giving instructions with respect to the financial assets without the secured party's consent. The secured party and the debtor can agree in the relevant documentation as to when the secured party is permitted to issue such instructions.

Digital Bonds Ltd, acting in respect of its general account and each of its segregated accounts named therein (including the Issuer) as account holder, Ankura Trust Company, LLC, as Security Agent (the "**Security Agent**") and StoneX, in its capacity as Custodian have entered into a securities account control agreement dated 17 May 2024 and taking effect in respect of the Collateral Accounts of the Issuer on or about the date of the Security Deed (the "**Securities Account Control Agreement**"). See "*Transaction Parties and Transaction Documents - Broker and Custodian – Securities Account Control Agreement*" above.

By entering into the Securities Account Control Agreement, the Custodian acknowledges and agrees that the Issuer has granted the Security to the Security Agent pursuant to the Security Deed.

Prior to a Realization Event, the Issuer (or the Tokenizer on its behalf) may instruct the Custodian with respect to the Collateral Accounts at any given time. Unless and until the Security Agent (in accordance with the Holder Instructions) instructs the Custodian otherwise and gives notice to the Custodian that a Realization Event has occurred, the Issuer (or the Tokenizer on its behalf) will be entitled to (i) sell, exchange or transfer any of the Underlying T-bills or (ii) dispose of any cash standing to the credit of the Collateral Accounts, subject to the Deed Poll (including the Conditions) and the Security Deed. The Issuer has, however, undertaken in (*Negative Covenants*) that it will not (among other things) withdraw, sell, assign, transfer, exchange, part with possession of or otherwise dispose of the Collateral, nor will the Issuer grant any security interest in the Collateral, except any Permitted Security or as otherwise expressly permitted under the Deed Poll (including the Conditions) and the Security Deed. Pursuant to Clause 8.a) (*Covenants of the Issuer – Negative Pledge and Disposal Restrictions*) of the Security Deed, the Issuer has also undertaken that it will not at any time during the Security Period, except as expressly permitted under the Deed Poll (including the Conditions) or, following the occurrence of a Realization Event, as instructed by the Security Agent (itself acting in accordance with the Holder Instructions), create, purport to create or permit to subsist any Security on, or in relation to, any Collateral other than any Security created by the Security Deed or any Permitted Security; sell, assign, transfer, exchange, part with possession of, or otherwise dispose of in any manner (or purport to do so), all or any part of, or any interest in, the Collateral; pledge, mortgage, hypothecate or otherwise encumber all or any part of, or create or grant (or purport to create or grant or permit to occur or suffer to exist) any interest in the Collateral in favour of a third party

or enter into an agreement or commitment to do so; or enter into or engage in any business with respect to any part of the Collateral.

In accordance with the terms of the Securities Account Control Agreement, upon the occurrence of a Realization Event, the Security Agent will (in accordance with the Holder Instructions) issue a notice to the Custodian advising it of the occurrence of such Realization Event and that the Custodian must from that point on act only in accordance with the Security Agent's instructions (a "**Notice of Exclusive Control**").

Upon receipt of a Notice of Exclusive Control, the Custodian will be required to act solely upon the instructions and directions of the Security Agent (itself acting pursuant to the Holder Instructions) in relation to the Collateral Accounts.

In the case of security over a debt or other chose in action, the priority and perfection of such security will be decided according to the law of the relevant debt or the law governing the creation of the chose in action. As an asset consisting of rights and obligations which are governed by U.S. law, the security interest granted by the Issuer in respect of the Underlying T-bills may be subject to specific requirements under U.S. laws in order to ensure the perfection (and thus the effectiveness) and priority of such security. The Issuer has not, however, taken any specific steps (such as the filing of UCC financing statements or otherwise) to ensure the effectiveness and priority of the Security under any federal or state laws in the United States.

There are no specific requirements under Bermuda law in order to perfect or ensure the priority of the Security. However, each of the Issuer and the Security Agent has the option of making an application to register the Security in the register of charges held by the Registrar of Companies (the "**Registrar**") for the Issuer (the "**Register of Charges**") in Bermuda. If the Registrar is satisfied that the requirements of the Companies Act as to registration have been complied with, they will register the Security in the Register of Charges and issue a certificate of registration in respect of the Security (the "**Certificate**"). A Certificate is conclusive proof that the requirements of the Companies Act as to registration have been complied with and that the Security referred to in the Certificate was registered on the date stated in the Certificate.

If the Security is registered, the Security will in respect of the Collateral have priority over any security interests which are subsequently registered in the Register of Charges and any unregistered charges in respect of the Collateral. The Issuer has undertaken in Clause 19.a(i) (*Further Assurances*) of the Security Deed that it will make an application to register the Security in the Register of Charges immediately following execution of the Security Deed and upon receipt, deliver a copy of the Certificate to the Security Agent.

Collateral Value

The Digital Bonds will be collateralized on a 1-to-1 basis by Underlying T-bills having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Digital Bonds as of the Issue Date. The Underlying T-bills will be registered in the name of Digital Bonds Ltd and deposited to the Collateral Account with the Custodian where (other than in the case of an early termination or early redemption of the Digital Bonds or an enforcement of the Security following the occurrence of a Realization Event) they will be held until their maturity. Unless a Depeg Event (as defined in Condition 34) (*Depeg Event*)) occurs, the USD value of the Underlying T-bills (and any related cash in the Collateral Account) maintained by the Issuer is intended at all times to be equal to the USDC principal amount outstanding of the Digital Bonds, including following the issuance of any Digital Bonds during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*) or following any Partial Early Redemption of the Digital Bonds in accordance with Condition 12)d) (*Redemption – Partial Early Redemption*), following each of which the Issuer is required to procure the delivery to the Security Agent of a current statement of account in respect of the Collateral Accounts indicating the balance of the Underlying T-bills following such issuance or redemption.

Claims of Holders and Mandatory Early Redemption of the Digital Bonds upon a Realization Event

Each Holder's claim that is created pursuant to the Deed Poll is irrevocable on the part of the Issuer and subject to the compulsory redemption of the Digital Bonds upon the occurrence of a Realization Event.

Determination of a Realization Event

Condition 23) (*Realization Event)* specifies the events constituting a Realization Event. These include:

1) **Breach of Conditions**: the Issuer is in breach of the Conditions of the Digital Bonds:

   a) as a result of non-payment of an amount in excess of USDC100,000 due under the Conditions in respect of the Digital Bonds (other than as a result of a Payment Claim Failure in accordance with Condition 21) (*Payment Claim Failure*), unless the non-payment is remedied within three (3) Business Days of the original due date of such amount; or

   b) in any other manner that results in a claim for the Holders for an amount in excess of USDC100,000, such as, but not limited to, a situation where the Issuer does not honour any other payment or delivery commitment under the Digital Bonds when it falls due in good time or without defects, unless those defects are remedied within 10 Business Days of notice of such breach being given to the Issuer by the Tokenizer or the Security Agent or (if earlier) the Issuer obtaining knowledge of such breach;

2) **Defect in Security**: the Security Agent does not have a valid, binding, security interest in the Collateral and such failure remains uncured for thirty (30) days after written notice of such failure to the Issuer;

3) **Unsatisfied judgment**: one or more judgments or orders for the payment of any amount in excess of USD1,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer by a court of competent jurisdiction and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment;

4) **Insolvency or winding up**: the Issuer or the general account of Digital Bonds Ltd is subject to any form of winding up, administration, receivership, insolvency or debt enforcement proceedings, arrangements with creditors or similar proceedings under the laws of any jurisdiction;

5) **Insolvency or winding up proceedings**: the institution by the Issuer or the general account of Digital Bonds Ltd of proceedings to have the Issuer or the general account of Digital Bonds Ltd adjudicated as bankrupt or insolvent, or the consent of the Issuer or the general account of Digital Bonds Ltd to the institution of bankruptcy or insolvency Proceedings against the Issuer or the general account of Digital Bonds Ltd or the filing by the Issuer or the general account of Digital Bonds Ltd of a petition or answer or consent seeking reorganization or relief under applicable bankruptcy law or any other similar applicable law, or the consent by the Issuer or the general account of Digital Bonds Ltd to the filing of any such petition or to the appointment in a proceeding of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or the general account of Digital Bonds Ltd or of any substantial part of its property, respectively, or the making by the Issuer or the general account of Digital Bonds Ltd of an assignment for the benefit of creditors, or the admission by the Issuer or the general account of Digital Bonds Ltd in writing of its inability to pay its debts generally as they become due, or the taking of any action by the Issuer or the general account of Digital Bonds Ltd in furtherance of any such action, or the passing of a resolution by the shareholders of Digital Bonds Ltd to have the Issuer or the general account of Digital Bonds Ltd wound up on a voluntary basis;

6) **Violation of law**: the Issuer or Digital Bonds Ltd is in violation of any applicable law or regulation and forced by a regulator to cease conducting its activity; or

7) **Suspension or revocation of license**: either of PV01 or Digital Bonds Ltd is in violation of the terms of the Class 'T' license issued to it by the Bermuda Markets Authority to operate a digital asset business pursuant to the Digital Asset Business Act 2018 of Bermuda and such license is revoked or suspended and/or either of Digital Bonds Ltd or PV01 is forced by the Bermuda Markets Authority to cease conducting its activity.

The Security Agent is not responsible for monitoring the performance by the Issuer of its obligations or for the occurrence of a Realization Event and in the absence of notice from the Issuer or the Tokenizer is entitled to assume that no Realization Event has occurred.

Upon obtaining knowledge of the occurrence of a Realization Event, the Issuer will be required to immediately notify the Tokenizer and at the same time, to deliver a Realization Event Notice to the Security Agent and the Holders in accordance with Condition 39) (*Notices*).

Practical Procedure and Costs in a Realization Event

Acceleration

Upon the receipt of a Realization Event Notice (other than in relation to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*)) the Security Agent will (in accordance with the Holder Instructions), deliver a Notice of Acceleration to the Issuer declaring the Digital Bonds immediately due and payable.

Upon a Notice of Acceleration being delivered, the Digital Bonds (if the Maturity Date has not already occurred) and all amounts in respect of principal or otherwise in respect of the Digital Bonds shall become immediately due and payable (an "**Acceleration**"), and the Issuer will be required to redeem the Digital Bonds in full at their Acceleration Amount (as defined in Condition 24)c) (*Enforcement*) in accordance with Condition 17)h) (*Settlement - Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds)* on such date as determined by the Issuer (the "**Acceleration Payment Date**"), which shall be no later than 10 Business Days following the date of the Notice of Acceleration.

Enforcement

Upon the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), all unpaid principal of all the Digital Bonds in issue, and any other amounts payable in respect of the Digital Bonds under the Conditions, the Deed Poll and the Security Deed, shall automatically become immediately due and payable and the Security shall automatically become enforceable without any declaration or other act on the part of the Security Agent, the Tokenizer or any Holder, and at the same time, the Issuer shall deliver a notice in writing to the Security Agent and a Notice to the Holders in accordance with Condition 39) (*Notices*) that the Security has become enforceable (a "**Security Enforcement Notice**").

If, within 10 Business Days following the delivery to the Issuer of a Notice of Acceleration, the Issuer has not redeemed and paid the Digital Bonds in full, the Issuer will be required to notify the Security Agent and the Security Agent will (in accordance with the Holder Instructions) issue an Enforcement Notice to the Issuer declaring that the Security has become enforceable and the Issuer will deliver a Security Enforcement Notice to the Holders.

Upon the Security becoming enforceable, the Security Agent will (in accordance with the Holder Instructions):

(a) deliver a Notice of Exclusive Control to the Custodian pursuant to the Securities Account Control Agreement and take control over the Collateral Accounts;

(b) if there are at least 10 calendar days remaining to maturity of the Underlying T-bills (or any other Collateral Securities), instruct the Custodian to liquidate the Underlying T-bills (or other Collateral Securities) in the Securities Collateral Account as quickly as possible at the best price obtainable (acting in a reasonable manner) and to deliver the net proceeds of such sale after deducting any transaction fees and any other unpaid fees, costs or expenses of the Broker and the Custodian to the Cash Collateral Account;

(c) if there are less than 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), the Security Agent shall not instruct their liquidation but shall hold them in the Securities Collateral Account until maturity (upon which the relevant net proceeds shall be credited to the Cash Collateral Account); and

(d) following the credit of any proceeds to the Cash Collateral Account, instruct the Custodian with respect to the distribution of the net proceeds of liquidation of the Underlying T-bills (and any other Collateral Securities) in accordance with Condition 25) (*Realization Event Priority of Payments*).

Where the Security Agent is unable to act in relation to the Collateral or the enforcement of the Security due to a lack of instructions from the Holders in the Holder Instructions, the Security Agent will be required (in accordance with the Holder Instructions) to act solely in accordance with instructions provided to it by the Tokenizer.

Upon delivery of a Security Enforcement Notice or an Enforcement Notice, the Tokenizer shall execute the Pausing Function (as defined in Condition 28) (*Bond Smart Contract Functionalities*)) to prevent further transfers of the Digital Bond Tokens and the Vault Pausing Function (as defined in Condition 29) (*Bond Token Vault Smart Contract Functionalities*)) to prevent further transactions in the Bond Token Receipts.

Costs

In the event of a realization, Holders will bear several costs, including, but not limited to any costs of the Broker and the Custodian in connection with the liquidation of the Underlying T-bills, the fees and expenses of the Security Agent, as well as any spreads on the sale of the Underlying T-bills. These costs will be deducted from the amounts received upon realization of the Collateral and may create a significant loss of value for Holders. Enforcement and pay-out priorities are as set out in Condition 24) (*Enforcement*) and Condition 25) (*Realization Event Priority of Payments*).

Liability under the Security Deed

The liability of the Security Agent is limited to fraud, gross negligence or wilful default, in the absence of which the Security Agent shall not be liable to the Issuer, the Arranger, the Tokenizer, the Holders or any other person for any matter or thing done or omitted in any way in connection with the Security Deed or its role as Security Agent or otherwise.

The Issuer has undertaken to the Security Agent that it will indemnify the Security Agent, each Delegate, their respective employees, directors, officers and agents against all claims, liabilities, costs, expenses, damages and losses and all other professional costs and expenses suffered or incurred by any of them arising out of or in connection with the performance of the Security Agent's duties under the Security Deed

or the Securities Account Control Agreement, the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in the Security Agent under the Security Deed or by law in respect of the Collateral; the taking, holding, protecting preserving, releasing or enforcing (or attempting to do so) the Security; or any default or delay by the Issuer in performing any of its obligations under the Security Deed.

Depeg Event

If a Depeg Event (as defined in Condition 34) (*Depeg Event*)) occurs, the Issuer shall have the right pursuant to Condition 34)b) (*Rights upon occurrence of a Depeg Event*) to:

(i) postpone any payment otherwise due in respect of the Digital Bonds;
(ii) substitute another USD-pegged stablecoin in place of USDC as the Settlement Currency for the Digital Bonds;
(iii) determine to settle the Digital Bonds off-chain in USD; or
(iv) determine to settle the Digital Bonds on-chain in USDC,

all in accordance with Condition 34) (*Depeg Event*).

Distributed Ledger Event

If a Distributed Ledger Event (as defined in Condition 33) (*Distributed Ledger Event*)) occurs, the Issuer shall have the right to execute (and, if necessary, maintain) the Pausing Function of the Bond Smart Contract and/or the Vault Pausing Function of the Bond Token Vault Smart Contract, to add digital wallet addresses to the Digital Wallet Blacklist and/or to treat the Distributed Ledger Event as a Termination Event, all in accordance with Condition 33) (*Distributed Ledger Event*).

Fork Event

If a Fork Event (as defined in Condition 32) (*Fork Event*)) occurs, the Issuer will have the right to execute the Pausing Function in the Bond Smart Contract, to determine (in the case of a Soft Fork) whether to participate in the Fork or (in the case of a Hard Fork) to determine which of the Fork's resulting chains will be recognized or to determine that the Fork Event shall be treated as a Distributed Ledger Event, all in accordance with Condition 32) (*Fork Event*).

Issuance and Redemption

Summary of Digital Bond Issuance and Redemption Processes

Investor Screening

Any subscription, redemption payment or other payment flow to or from any potential investor in the Digital Bonds and any Holder is subject to successful completion by such potential investor or Holder of Investor Screening procedures and inclusion of the approved investor's or Holder's linked digital wallet address in the Digital Wallet Whitelist.

The Issuer or the Tokenizer acting on its behalf or on behalf of the Security Agent (following the occurrence of a Realization Event) has the right to refuse to add such potential investor's or Holder's digital wallet address to the Digital Wallet Whitelist and the Issuer or the Security Agent (as applicable) may reject any subscription, payment or redemption request if, in its sole and absolute discretion, there are negative findings during the Investor Screening process or such process is not satisfactorily completed. See further under "*Investor Screening and Whitelisting*" above.

Any attempt to make a payment into the Bond Smart Contract or to claim any redemption or other payment from the Bond Smart Contract emanating from a digital wallet address which is not included in the Digital Wallet Whitelist will be automatically rejected by the Bond Smart Contract.

Issuance on the Issue Date

The Digital Bonds will be available for issuance via the Pivio Platform at www.pv0.one during the period commencing at approximately 13:30 UTC on 7 January 2025 and ending at 16:30 UTC (the "**Issuance Settlement Cut-Off Time**") on 7 January 2025 (the "**Issue Date**") (such period, the "**Issuance Settlement Window**").

Additional Issuance Settlement Windows

The Issuer may elect to create and issue Digital Bonds during one or more additional issuance settlement windows as determined by the Issuer, following the Issue Date and expiring at any time up until the Maturity Date (each, an "**Additional Issuance Settlement Window**"), provided that each of the conditions set out in Condition 7)f) (*Primary Issuance – Additional Issuance Settlement Windows*) are satisfied.

These conditions include:

(1) no Realization Event, Early Redemption Event, Early Termination Event, Depeg Event or DLT Event has occurred in respect of the Digital Bonds;

(2) the amount of Digital Bonds proposed to be issued during such Additional Issuance Settlement Window will not cause the aggregate principal amount of the Digital Bonds outstanding to exceed the Maximum Issue Amount;

(3) each potential purchaser of such Digital Bonds has successfully completed Investor Screening with the Tokenizer as described in Condition 5) (*Investor Screening*) and the digital wallet address of each such purchaser has been added to the Digital Wallet Whitelist;

(4) the settlement of such Digital Bonds is executed in accordance with the settlement procedures prescribed in the Conditions for the Primary Issuance of the Digital Bonds (subject to such amendments to the timing for the opening and closing of the book-building period and the Pricing Time as communicated by the Tokenizer via the Pivio Platform or otherwise in writing);

(5) there exists, as of the proposed date of opening such Additional Issuance Settlement Window, no fact, event or circumstance which would render the information included in the Offering Memorandum inaccurate, incomplete or misleading in any material respect, or, in case any such fact, event or circumstance exists, the Issuer has made available to each potential purchaser of such Digital Bonds (on the Pivio Platform and/or at the Issuer's discretion, via e-mail to the address provided by such potential purchaser to the Tokenizer during Investor Screening), a supplemental offering memorandum (each, a "**Supplemental Offering Memorandum**") disclosing such fact, event or circumstance;

(6) each purchaser of such Digital Bonds has confirmed (via the Pivio Platform or otherwise in writing) that their purchase of such Digital Bonds is made pursuant to the Term Sheet, the Subscription Terms, the Offering Memorandum and any Supplemental Offering Memorandum and that the purchaser has read and accepted the terms of each of those documents;

(7) the Net USD Subscription Proceeds of such Digital Bonds are applied by the Issuer toward the purchase of Underlying T-bills having the same ISIN/CUSIP as the Underlying T-bills purchased on the Issue Date in an aggregate USD principal amount which is equal to the USDC nominal amount of such Digital Bonds, which Underlying T-bills are deposited by the Custodian directly to the Securities Collateral Account upon their receipt;

(8) the Issuer has delivered or procured the delivery to the Security Agent of a current statement of account in respect of the Collateral Accounts indicating the balance of the Underlying T-bills credited to the Securities Collateral Account following such deposit; and

(9) the Issuer has, prior to the opening of any Additional Issuance Settlement Window, delivered a Notice to the Holders in accordance with Condition 39) (*Notices*) and to the Security Agent informing them of the details of such Additional Issuance Settlement Window.

Digital Bonds issued during any Additional Issuance Settlement Window shall be subject to and have the benefit of the Deed Poll (including the Conditions), the Security Deed and the Arrangement and Tokenization Services Agreement as though issued on the Issue Date and shall be the same in all respects as the Digital Bonds issued on the Issue Date, save for their issue date and issue price and the amount of the Issuance Fee and Tokenization Services Fee payable, so that such Digital Bonds shall, upon their issuance, be consolidated and fungible with the Digital Bonds issued on the Issue Date.

Primary Issuance Process

The primary issuance of the Digital Bonds takes place through the interface of the Pivo Platform at www.pv0.one in accordance with the Platform's Terms of Use and the Subscription Terms, subject always to the Deed Poll (including the Conditions). In the event of any conflict between the Terms of Use or the Subscription Terms and the Deed Poll, the Deed Poll shall prevail.

The practical steps involved in the primary issuance of the Digital Bonds on the Issue Date and during any Additional Issuance Settlement Window are described in the Subscription Terms and in Condition 7) (*Primary Issuance Process*) and can be summarized as follows:

(i) potential investors having successfully completed Investor Screening with the Tokenizer and whose digital wallet addresses have been added to the Digital Wallet Whitelist may confirm their interest in subscribing for Digital Bonds during the period communicated by the Tokenizer to potential investors via the Pivio Platform or otherwise in writing (the "**book-building period**"); each potential investor may place an order to subscribe for Digital Bonds (each, a "**Subscription Order**") up to a specified maximum amount (a "**Maximum Order Amount**", and each potential investor having submitted an order to subscribe for Digital Bonds, which order has not been revoked by the end of the book-building period, a "**Committed Investor**");

(ii) on the Issue Date only, the Tokenizer shall place a single Subscription Order on behalf of all Holders of digital bond tokens in the Bond Token Vault which are to be delivered to the Issuer in exchange for Digital Bond Tokens representing Digital Bonds pursuant to the exercise by such Holders of the Automatic Rollover Subscription Option in accordance with Condition 13) (*Automatic Rollover Subscription Option*) (a "**Rollover Subscription Order**");

(iii) any potential investor who has submitted an order for Digital Bonds during the book-building period may amend or revoke such order through the Pivio Platform at any time prior to the end of the book-building period including following receipt of final pricing guidance, expected to be communicated to potential investors approximately 30 minutes prior to closing of the book-building period;

(iv) at the time of pricing the Digital Bonds (to take place shortly following closing of the order book, the "**Pricing Time**"), Committed Investors are allotted Digital Bonds having a nominal value which may be equal to their Maximum Order Amount or such lower amount as determined by the Issuer in its discretion (which may be zero) (such amount, as notified by the Tokenizer on behalf of the Issuer to the Committed Investor via the Pivio Platform or otherwise in writing prior to the opening of the Issuance Settlement Window (as defined below), the Committed Investor's "**Allotted Amount**");

(v) on the Issue Date only, at the Pricing Time, Digital Bonds having a nominal value which is equal to the amount of the Rollover Subscription Order are allotted for delivery into the Bond Token Vault;

(vi) by placing an order to subscribe for Digital Bonds, each Committed Investor undertakes and, upon closing of the book-building period becomes legally obligated, to procure the delivery of an amount of USDC equal to the aggregate USDC issue price for such Committed Investor's Allotted Amount (such amount in USDC, the Committed Investor's "**Funding Commitment**").

a. in the case of the primary issuance on the Issue Date, Funding Commitments shall be paid to the Issuer via the Bond Smart Contract through the Pivio Platform or by accessing the Bond Smart Contract at its address on the DLT during the period commencing at approximately 13:30 UTC on 7 January 2025 and ending at

approximately 16:30 UTC on 7 January 2025 (the "**Issuance Settlement Cut-Off Time**") (such period, the "**Issuance Settlement Window**");

b. the time at which any Additional Issuance Settlement Window shall open and the time at which such Additional Issuance Settlement Window shall close (each, an "**Additional Issuance Settlement Cut-Off Time**") shall be as communicated by the Tokenizer to the relevant Committed Investors via the Pivo Platform or otherwise in writing;

(vii) on the Issue Date only, a Funding Commitment in respect of the Automatic Rollover Subscription Order is created in the Bond Smart Contract, which Funding Commitment shall be settled in accordance with Condition 18) (*Rollover Settlement*) (which shall be read for these purposes as though references therein to the 'Rollover Bonds' referred to the Digital Bonds, references to the 'Subsequent Issuer' referred to the Issuer and references to the 'Rollover Bonds Smart Contract' referred to the Bond Smart Contract);

(viii) within 2 hours following the Pricing Time, the Issuer notifies Committed Investors of their Allotted Amounts and Funding Commitments and finalizes the Bond Smart Contract. A notice is posted by the Issuer on the Pivio Platform and sent to Committed Investors at their e-mail addresses (as provided to the Tokenizer during Investor Screening) confirming that the Bond Smart Contract has been activated and instructing Committed Investors to settle their bond purchases during the Issuance Settlement Window (or the Additional Issuance Settlement Window, as the case may be);

(ix) following pricing of the Digital Bonds, the Issuer enters into a transaction with the Broker for the purchase of the Underlying T-bills, in a USD principal amount equivalent to the aggregate USDC principal amount of the Digital Bonds to be issued, such transaction to settle after the Issuance Settlement Cut-Off Time or the Additional Issuance Settlement Cut-Off Time, as the case may be (such time, the "**T-Bills Settlement Time**");

(x) during the Issuance Settlement Window (or the Additional Issuance Settlement Window, as the case may be), each Committed Investor must make payment of its Funding Commitment to the Issuer via the Pivio Platform or by accessing the Bond Smart Contract's address directly on the DLT;

(xi) provided that a Committed Investor's payment emanates from a digital wallet address which is included on the Digital Wallet Whitelist and is not included on the Digital Wallet Blacklist, simultaneously ('atomically') upon each Committed Investor making payment of its Funding Commitment, the Bond Smart Contract automatically:

a. procures the creation (or 'minting') and delivery of the Digital Bond Tokens representing the Digital Bonds for which such Committed Investor has subscribed to the Committed Investor's digital wallet; and

b. transfers an amount in USDC equal to such Committed Investor's Funding Commitment from the digital wallet of the Committed Investor to the digital wallet of the Issuer with Fireblocks,

completing the issuance settlement process in respect of the Digital Bonds subscribed by such Committed Investor;

(xii) upon occurrence of the Issuance Settlement Cut-Off Time (the date on which this occurs being referred to as the "**Issue Date**") or the Additional Issuance Settlement Cut-Off Time, as the

case may be, from the total amount of USDC received by the Issuer in respect of the Funding Commitments paid by Committed Investors (the "**USDC Subscription Proceeds**"):

a) in respect of Digital Bonds issued on the Issue Date:

i) an amount of USDC representing the fee due from the Issuer to PV01 in its capacity as Arranger and Tokenizer (the "**Tokenization Services Fee**") is transferred from the Issuer's Fireblocks digital wallet to the digital wallet of PV01; and

ii) an amount in USDC representing the applicable Issuer's fee in respect of the issuance of the Digital Bonds (the "**Issuance Fee**") is retained in the Issuer's Fireblocks digital wallet;

b) in respect of Digital Bonds issued during an Additional Issuance Settlement Window:

i) an amount in USDC representing the Tokenization Services Fee in such amount as determined by the Tokenizer and communicated to Committed Investors upon pricing of such Digital Bonds is transferred from the Issuer's Fireblocks digital wallet to the digital wallet of PV01; and

ii) an Issuance Fee in such amount (which may be zero) as determined by the Tokenizer and communicated to Committed investors upon pricing of such Digital Bonds is retained in the Issuer's Fireblocks digital wallet;

(xiii) at or before the T-bills Settlement Time:

a. the remaining USDC Subscription Proceeds (the "**Net USDC Subscription Proceeds**") are transferred to the account of the Issuer with the On-Off Ramper, converted to USD;

b. the proceeds (the "**Net USD Subscription Proceeds**") are transferred to the Issuer's Cash Collateral Account (as defined in Condition 9) (*Custody and Collateral*) with the Custodian;

c. on the Issue Date, the Issuer shall submit a payment claim to the Issuer of the Maturing Bonds (the "**Preceding Issuer**") in respect of the digital bonds received by it pursuant to the settlement of the Rollover Subscription Option, which payment claim shall be settled by an off-chain payment in USD by the Preceding Issuer to the Cash Collateral Account, following which the digital bond tokens representing such digital bonds shall be sent to the Ethereum universal burn address, effecting their cancellation; and

(xiv) at the T-Bills Settlement Time, the Broker debits an amount in USD representing the purchase price for the Underlying T-bills from the Cash Collateral Account, settles the pre-arranged purchase for the Underlying T-bills and any off-setting T-bills sale transaction and delivers the net amount of Underlying T-bills to the Securities Collateral Account (as defined in Condition 9) (*Custody and Collateral*) to be held as collateral for the Digital Bonds.

Steps (x) and (xi) above occur on an instantaneous or "atomic" delivery-versus-payment basis, thereby eliminating settlement risk for both the Issuer and investors.

The aggregate principal amount of the Digital Bonds issued and outstanding from time to time (including any Digital Bonds issued during an Additional Issuance Settlement Window) will be publicly visible at all

times on the DLT. This can be viewed by searching any block explorer platform such as Etherscan using the Bond Smart Contract address.

In the event an investor fails to deliver its funding commitment within the Issuance Settlement Window (or the Additional Issuance Settlement Window, as the case may be), such investor's subscription for the Digital Bonds may be cancelled by the Issuer. In case of cancellation of a subscription order, the corresponding Digital Bond Tokens will not be issued, and the issue size of the Digital Bonds and the amount of Underlying T-bills to be purchased by the Issuer will be reduced accordingly.

No interest or other amount shall be payable to any Holder in respect of Digital Bonds for which such Holder has made payment of the Holder's Funding Commitment and received Digital Bond Tokens prior to the Issue Date or prior to the Additional Issuance Settlement Cut-Off Time, as the case may be.

Following its issuance, each Digital Bond Token can be transferred by its Holder to any other address on the blockchain (provided such address is not included on the Sanctions Blacklist or the Digital Wallet Blacklist), which delivery constitutes a transfer of ownership of the Digital Bonds represented by such Digital Bond Tokens to a new Holder.

Alternatively, the Holder may opt in to the Automatic Rollover Subscription Option pursuant to Condition 13) (*Automatic Rollover Subscription Option*) by making a Bond Token Deposit into the Bond Token Vault at any time prior to the Rollover Cut-Off Time. See "*Automatic Rollover Subscription Option*" below.

Redemption Process

Unless earlier terminated or redeemed at the option of the Issuer in accordance with Condition 12)b)(*Redemption – Early Termination – Issuer Call*) or Condition 12)c) (*Redemption – Early Redemption – Tax Event)*, the Digital Bonds will be redeemed in full at their Final Payout Amount (as defined in Condition 16)b) (*Pre-Enforcement Priorities of Payment*) during the period commencing upon the issuance by the Issuer of a notice to the Holders on 4 February 2025 (the "**Maturity Date**") and ending at 24:00 UTC on 4 March 2025 (such period, the "**Scheduled Redemption Payment Window**").

Partial Early Redemption

The Issuer may, upon the request of a Holder of the Digital Bonds, redeem the Digital Bonds held by such Holder at their Partial Early Redemption Amount, on a date as agreed between the Issuer and such Holder (a "**Partial Early Redemption**"), provided that each of the conditions set out in Condition 12)d) (*Redemption - Partial Early Redemption*) are satisfied.

These conditions include:

(1) no Realization Event, Early Redemption Event, Early Termination Event, Depeg Event or DLT Event has occurred in respect of the Digital Bonds;

(2) the aggregate principal amount of Digital Bonds proposed to be redeemed on such Partial Early Redemption Settlement Date is no less than USDC 500,000;

(3) the Redeeming Holder has successfully completed Investor Screening with the Tokenizer as described in Condition 5) (*Investor Screening*) and the digital wallet address of such Redeeming Holder has been added to the Digital Wallet Whitelist;

(4) the settlement of such Digital Bonds is executed in accordance with the settlement procedures prescribed in Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*);

(5) the Issuer shall procure the delivery to the Security Agent of a current statement of account in respect of the Collateral Accounts indicating the balance of the Underlying T-bills credited to the Securities Collateral Account following such Partial Early Redemption; and

(6) following any such Partial Early Redemption, the Issuer shall deliver a Notice to the Holders in accordance with Condition 39) (*Notices*) and to the Security Agent informing them of the details of such Partial Early Redemption as prescribed in Condition 12)d) (*Redemption - Partial Early Redemption*).

Holders do not have the right to require the Issuer to redeem the Digital Bonds at any time.

Automatic Rollover Subscription Option

Each Holder of Digital Bonds shall have the option to instruct an automatic reinvestment or "rollover" of the Final Payout Amount payable in respect of such Digital Bonds towards a subscription for digital bonds of a new Series to be issued on the Maturity Date and having the characteristics set out in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*), by way of an exchange of the Digital Bond Tokens representing such Digital Bonds for Digital Bond Tokens representing digital bonds of the new Series (the "**Automatic Rollover Subscription Option**").

Bond Token Vault

The Automatic Rollover Subscription Option is exercised through the mechanism of a bond token vault (the "**Bond Token Vault**") administered by the Bond Token Vault Smart Contract, with the Tokenizer as vault owner (the "**Vault Owner**").

The Bond Token Vault Smart Contract is programmed to allow Holders to make deposits and withdrawals to and from the Bond Token Vault of Digital Bond Tokens representing Digital Bonds of the designated Series which is the current "asset" managed by the Bond Token Vault (such designated Series at any time being referred to as the "**Vault Series**"). The Bond Token Vault is programmed to only manage transactions in the Digital Bond Tokens representing Digital Bonds of the Vault Series at any time.

Bond Token Deposits

A Holder may deposit Digital Bond Tokens in any USDC principal amount (up to 6 decimal places) into the Bond Token Vault by submitting a request to the Bond Token Vault Smart Contract (using the 'mint' or 'deposit' function via the Pivio Platform or by accessing the Bond Token Vault Smart Contract on the DLT), (each such deposit, a "**Bond Token Deposit**").

Upon a Holder making a Bond Token Deposit, Digital Bond Tokens are delivered from the digital wallet address of the Holder to the Bond Token Vault, in exchange for which the Bond Token Vault will simultaneously calculate, mint and deliver to the digital wallet address of such Holder a number of bond token 'receipts' in the form of ERC-4626 fungible tokens (each, a "**Bond Token Receipt**").

The number of Bond Token Receipts which will be received by a Holder in exchange for a Digital Bond Token of the current Vault Series upon making a Bond Token Deposit at any time shall be approximately equal to the result of the following calculation at that time: **(*total number of Bond Token Receipts outstanding*) divided by / (*total number of Digital Bond Tokens in the Bond Token Vault*) multiplied by (*number of Digital Bond Tokens deposited*)**.

Bond Token Receipts

The Bond Token Receipts can be transferred (subject to the same transfer and selling restrictions as are applicable to the Digital Bonds) on the DLT in any amount (up to 6 decimal places).

Each Bond Token Receipt evidences, at any time:

(i) The Receiptholder's entitlement to a percentage or "share" of the Digital Bond Tokens in the Bond Token Vault at that time (each, a "**Share**"), which Share, expressed as a percentage of the total number of Digital Bond Tokens in the Bond Token Vault can be determined at any time by performing the following calculation: ***(one) (1) / divided by (the total number of Bond Token Receipts outstanding) = Share of Bond Tokens in Bond Token Vault represented by 1 Bond Token Receipt***.

A Receiptholder may calculate its aggregate Share of the Digital Bond Tokens in the Bond Token Vault at any time (the Receiptholder's "**Aggregate Share**") by performing the following calculation: (***total number of Bond Token Receipts held by the Receiptholder) / divided by (the total number of Bond Token Receipts outstanding at such time) = Receiptholder's Aggregate Share***);

(ii) the Receiptholder's right to receive from the Bond Token Vault, in exchange for such Bond Token Receipt, the number of Digital Bond Tokens representing Digital Bonds of the Vault Series for which such Bond Token Receipt may be exchanged at that time, by making a Bond Token Withdrawal in accordance with Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*) below;

(iii) the Receiptholder's ownership of such number of Digital Bonds of the Vault Series as are represented by the number of Digital Bond Tokens which may be exchanged with the Bond Token Vault for such Bond Token Receipt at that time, which number is approximately equal to the result of the following calculation at any time: ***(total number of Bond Tokens in the Bond Token Vault) / divided by (the total number of Bond Token Receipts outstanding) = number of Digital Bond Tokens exchangeable for each Bond Token Receipt***; and

(iv) provided the Receiptholder has not withdrawn such Digital Bond Tokens before the Rollover Cut-Off Time, the Receiptholder's instructions (subject at all times to these Conditions) and right for such Digital Bond Tokens to be exchanged for Digital Bond Tokens representing Rollover Bonds (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*)) on the Maturity Date of the Digital Bonds represented thereby.

Bond Token Withdrawal

A Receiptholder may make a Bond Token Withdrawal of Digital Bond Tokens from the Bond Token Vault in any USDC principal amount (up to 6 decimal places) by submitting a request to the Bond Token Vault Smart Contract (using the 'withdraw' or 'redeem' function via the Pivio Platform or by accessing the Bond Token Vault's Smart Contract address on the DLT), (each such withdrawal, a "**Bond Token Withdrawal**").

Upon a Receiptholder making a Bond Token Withdrawal, the Bond Token Receipts of the Receiptholder will automatically be sent from the digital wallet address of the Receiptholder to the Ethereum universal burn address, in exchange for which the Bond Token Vault will simultaneously (atomically) calculate and deliver to the digital wallet address of such Receiptholder, a number of Digital Bond Tokens.

The number of Digital Bond Tokens representing Digital Bonds of the Vault Series which will be received by a Receiptholder in exchange for a Bond Token Receipt upon making a Bond Token Withdrawal at any time shall be approximately equal to the result of the following calculation at that time: ***(number of Bond Token Receipts deposited by the Receiptholder) / divided by (total number of Bond Token Receipts outstanding) multiplied by (total number of Digital Bond Tokens in the Bond Token Vault)***.

Transaction Previews

For purposes of performing any calculation relating to a Bond Token Deposit or Bond Token Withdrawal, the total number of Digital Bond Tokens (or "assets") in the Bond Token Vault and the total number of Bond Token Receipts (or "shares") outstanding at any time are visible on the DLT by accessing the Bond Token Vault Smart Contract's address on a block explorer platform such as Etherscan.

In addition, a Holder or Receiptholder may, at any time, submit a request to the Bond Token Vault Smart Contract for a preview of:

(1) the number of Bond Token Receipts that would be delivered by the Bond Token Vault in exchange for the deposit of a specified number of Digital Bond Tokens;

(2) the number of Digital Bond Tokens the Holder would be required to deposit to the Bond Token Vault in order to receive a specified number of Bond Token Receipts;

(3) the number of Digital Bond Tokens that would be delivered by the Bond Token Vault in exchange for redeeming a specified number of Bond Token Receipts; or

(4) the number of Bond Token Receipts the Receiptholder would be required to redeem in order to receive a specified number of Digital Bond Tokens from the Bond Token Vault,

in each case, at any time by accessing the Bond Token Vault Smart Contract's DLT address on a block explorer platform such as Etherscan.

Exercise of Automatic Rollover Subscription Option

A Holder wishing to exercise the Automatic Rollover Subscription Option may make a Bond Token Deposit at any time up to 12:30 UTC on the Maturity Date of the Digital Bonds of the Vault Series or such later time at which the book-building period for the Rollover Bonds closes on their Issue Date as notified via the Pivio Platform (the "**Rollover Cut-Off Time**").

By depositing Digital Bond Tokens into the Bond Token Vault, the Holder shall be deemed to authorize and instruct the Tokenizer to execute, on the Maturity Date of the Digital Bonds represented by such Digital

Bond Tokens, a reinvestment of the Final Payout Amount payable in respect of such Digital Bonds towards a subscription for Rollover Bonds (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*)) by way of the delivery of such Digital Bond Tokens, together with all other Digital Bond Tokens in the Bond Token Vault as of the Rollover Cut-Off Time, to a Subsequent Issuer (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*) in exchange for the delivery by such Subsequent Issuer to the Bond Token Vault of a number of digital bond tokens representing Rollover Bonds (each such exchange, a "**Rollover**"), all in accordance with the procedures set out in Condition 18) (*Rollover Settlement*). This settlement is effected by the Tokenizer as Vault Owner executing the Rollover Function of the Bond Token Vault Smart Contract. No action is required to be taken (in particular, no subscription order is required to be placed) by Receiptholders in connection with the Rollover Settlement.

If a Receiptholder does not wish the Digital Bonds held by it which are represented by Digital Bond Tokens in the Bond Token Vault to be exchanged for Rollover Bonds, the Receiptholder must withdraw such Digital Bond Tokens from the Bond Token Vault by making a Bond Token Withdrawal by no later than the Rollover Cut-Off Time.

A Holder of Digital Bonds may make a Bond Token Deposit of all or any part of the Digital Bond Tokens held by it or a Receiptholder may make a Bond Token Withdrawal of all or any part of the Digital Bond Tokens represented by the Bond Token Receipts held by it at any time up to the Rollover Cut-Off Time.

Final pricing guidance in respect of the Rollover Bonds will be available on the Pivio Platform approximately 30 mins before the Rollover Cut-Off Time on the Maturity Date. Any Receiptholder who no longer wishes to exercise the Automatic Rollover Subscription Option, must make a Bond Token Withdrawal before the Rollover Cut-Off Time.

Digital Bond Tokens remaining in the Bond Token Vault as of the Rollover Cut-Off Time for each Series will be continuously and automatically exchanged on their Maturity Date for Digital Bond Tokens representing Rollover Bonds of the next Series, in accordance with Condition 18) (*Rollover Settlement*), without any action on the part of the Receiptholders, unless and until such Digital Bond Tokens are withdrawn from the Bond Token Vault or the Automatic Rollover Subscription Option is terminated in accordance with Condition 14) (*Termination of Automatic Rollover Subscription Option*).

Rollover Bonds

The digital bonds for which Digital Bond Tokens in the Bond Token Vault will be exchanged upon each Rollover Settlement (the "**Rollover Bonds**") shall have the following characteristics as prescribed by Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*):

1. the Rollover Bonds shall be of a series of Digital Bonds (each, a "**Series**") issued on or about the Maturity Date of the current Vault Series;

2. the Rollover Bonds shall be issued by another segregated account of Digital Bonds Ltd (each, a "**Subsequent Issuer**");

3. the Rollover Bonds shall have, as near as possible (depending upon the availability of U.S. government-issued treasury bills with the corresponding maturity date), the same duration as the current Vault Series (such that if the Vault Series has a 4-week duration, the Rollover Bonds will also have a 4-week duration);

4. the Rollover Bonds shall be collateralized by U.S. government-issued treasury notes having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Rollover Bonds as of their Issue Date and maturing on the Maturity Date of the Rollover Bonds;

5. the Rollover Bonds will be subject to the same Bond Conditions as the Digital Bonds of the current Vault Series, other than:

    a. the segregated account of Digital Bonds Ltd acting as the Issuer;
    b. the Issue Price;
    c. the Issue Date;
    d. the Maximum Issue Amount;
    e. the Maturity Date;
    f. the Bond Smart Contract address;
    g. the ISIN/CUSIP of the Underlying T-bills;
    h. the Reference Price;
    i. the Accrual Yield;
    j. the Tokenization Services Fee; and
    k. such other changes as the Subsequent Issuer may determine in its sole discretion in accordance with Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*).

Each Series of Rollover Bonds shall the subject of a deed poll (each, a "**Rollover Deed Poll**"), which, together with the Offering Memorandum for such Series of Rollover Bonds, will be available for viewing by Holders who have successfully conducted Investor Screening on the Pivio Platform and via a link included in the Rollover Bonds Smart Contract.

Each of the Rollover Bonds Smart Contract and the Bond Vault Smart Contract shall be subject to and shall incorporate by reference the Rollover Deed Poll for the Vault Series. The Bond Token Vault Smart Contract shall be updated upon each Rollover to include instructions for Receiptholders to access the Rollover Deed Poll via the Rollover Bond Smart Contract.

Each Receiptholder is deemed to have read, understood and accepted the Offering Memorandum (including the Bond Conditions) for each Series of Rollover Digital Bonds issued during the period for which such Receiptholder holds Bond Token Receipts.

Termination of Automatic Rollover Subscription Option

Automatic Termination The Automatic Rollover Subscription Option shall be automatically terminated upon the occurrence of an Automatic Rollover Termination Event (as defined in Condition 14)a) (*Termination of Automatic Rollover Subscription Option – Automatic Termination*). Such Automatic Rollover Termination Events, include any Early Termination or Early Redemption of the Digital Bonds of the Vault Series, the occurrence of a Realization Event in respect of the Vault Series, the occurrence of a Depeg Event or a failure by the Subsequent Issuer to issue Rollover Bonds on the Maturity Date of the Vault Series or to deliver Digital Bond Tokens representing Rollover Bonds to the Bond Token Vault in exchange for Digital Bond Tokens representing Digital Bonds of the Vault Series.

Termination by the Issuer The Issuer shall have the right, in its discretion, to terminate the Automatic Rollover Subscription Option upon the occurrence of an Issuer Rollover Termination Event (as defined in Condition 14)b) (*Termination of Automatic Rollover Subscription Option – Termination by Issuer*). Such Issuer Rollover Termination Events include, among other things, the Issuer anticipates that the Final Payout Amount payable in respect of the Digital Bonds on the Maturity Date will be less than their principal amount, any determination by the Issuer that the continued operation of the Bond Token Vault or the Automatic Rollover Subscription would be unlawful, impossible or unduly onerous, a failure or anticipated failure of the U.S. government to make full and timely payment of its debt obligations, increased costs to the Issuer of maintaining the Bond Token Vault, the Bond Token Receipts or effecting a Rollover of the Digital Bonds or increased technological and/or operational risks related to the DLT.

Rollover Termination Notice Upon any termination of the Automatic Rollover Subscription Option due to the occurrence of an Automatic Rollover Termination Event or an Issuer Rollover Termination Event, (a "**Rollover Termination**"), the Issuer shall deliver a Notice of such termination (a "**Rollover Termination Notice**") to the Holders in accordance with Condition 39) (*Notices*).

Effect of Rollover Termination Upon any Rollover Termination, the Tokenizer shall not effect a Rollover of the Digital Bond Tokens in the Bond Token Vault on the Maturity Date. Holders will be required to withdraw all Digital Bond Tokens from the Bond Token Vault in order to submit any payment claim in respect of the Digital Bonds represented thereby. ***Holders must not deposit Digital Bond Tokens to the Bond Token Vault following any Rollover Termination.***

Settlement

Settlement of the redemption of the Digital Bonds on the Early Termination Date, the Early Redemption Date or the Maturity Date, as the case may be, shall be made by the Bond Smart Contract delivering an amount of USDC (the "**Settlement Currency**") representing the Early Termination Payment Amount (as defined in Condition 12)b)vi) (*Redemption – Early Termination – Issuer Call*), the Early Redemption Payment Amount (as defined in Condition 12)c)iii)(*Redemption – Early Redemption – Tax Event*) or the Final Payout Amount (as defined in Condition 16)b)iv) (*Pre-enforcement Priorities of Payment*) payable (as the case may be) to the digital wallet address of each Holder, in accordance with the procedures described in Condition 17) (*Settlement*), except in the Payment Exception Circumstances (as defined in Condition 17) (*Settlement*) (including in the case of a Payment Claim Failure in accordance with Condition 21) (*Payment Claim Failure*) or a Depeg Event in accordance with Condition 34) (*Depeg Event*)), where settlement may take place by an alternative settlement method as determined by the Issuer, which may be by way of an on-chain payment made by or on behalf of the Issuer in USDC (or the Replacement Settlement Currency) directly to the digital wallet of the Holder or an off-chain payment in USD to the USD bank account designated by the Holder, in each case against delivery by each Holder of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer.

Any USD fiat account provided by a Holder for purposes of receiving payment of any amount in respect of the Digital Bonds must be located and maintained outside the United States. None of the Issuer, the Security Agent or any Paying Agent will make payment to an account which is located or maintained within the United States and the Issuer (or the Security Agent or any Paying Agent on the Issuer's behalf) may refuse to make payment to any Holder who fails to provide a bank account which is not located and maintained outside the United States.

Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds

Amounts realised in connection with the liquidation of the Underlying T-Bills in the event of early termination or early redemption (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Liquidation Proceeds**".

The practical steps involved in the Settlement of the Digital Bonds in the event of:

(i) Early Termination due to any exercise of the Issuer Call in accordance with Condition 12)b) (*Redemption - Early Termination – Issuer Call*);

(ii) Early Redemption due to the occurrence of a Tax Event in accordance with Condition 12)c) (*Redemption - Early Redemption – Tax Event*); or

(iii) an Acceleration of the Digital Bonds in accordance with Condition 24)b) (*Enforcement – Acceleration*),

are (as set out in Condition 17)h) (*Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds*)) and can be summarised as follows:

1) prior to the Early Termination Date, the Early Redemption Date or the Acceleration Payment Date (as applicable), the Issuer (or the Tokenizer on its behalf) instructs and/or authorizes:

a) the Custodian to liquidate the Underlying T-bills in the Securities Collateral Account in accordance with the Brokerage and Custody Agreement and to deliver the Liquidation Proceeds to the Cash Collateral Account of the Issuer; and

b) the Custodian to transfer the Liquidation Proceeds in USD from the Cash Collateral Account to the Issuer's fiat account with the On-Off Ramper;

2) the Issuer then calculates the amounts payable (if any) in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) (in the case of an early termination or an early redemption) or paragraphs (i) and (ii) of Condition 25) (*Realization Event Priorities of Payments*) in the case of an Acceleration) and, as soon as reasonably practicable, procures the payment of those amounts to relevant recipients (the remaining Liquidation Proceeds, the "**Net Liquidation Proceeds**");

3) the Issuer then instructs the On-Off Ramper to convert the Net Liquidation Proceeds in the Issuer's fiat account with the On-Off Ramper from USD to USDC and to credit such amount in USDC (the "**USDC Liquidation Proceeds**") to the Issuer's digital wallet with the On-Off Ramper;

4) on the Early Termination Date, the Early Redemption Date or the Acceleration Payment Date (as applicable), the Issuer:

i) calculates the Early Termination Payment Amount or the Early Redemption Payment Amount payable in accordance with Condition 16)a) (*Pre-enforcement Priorities of Payment*) or the Acceleration Payment Amount payable in accordance with Condition 25) (*Realization Event Priorities of Payments),* as applicable, in respect of each Digital Bond and updates the Bond Smart Contract to reflect the Early Termination Payment Amount, the Early Redemption Payment Amount or the Acceleration Payment Amount (as applicable);

ii) transfers an amount in USDC sufficient to fund payment of the Early Termination Payment Amount, the Early Redemption Payment Amount or the Acceleration Payment Amount due to all Holders from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract (with any remaining USDC Liquidation Proceeds to be applied in accordance with paragraph (v) of Condition 16)a) (*Pre-Enforcement Priorities of Payment*) or paragraph (v) of Condition 25) (*Realization Event Priorities of Payments*), as applicable); and

iii) publishes a notice in accordance with Condition 39) (*Notices*) informing the Holders of the Early Termination Payment Amount, the Early Redemption Amount or the Acceleration Payment Amount (as applicable) payable in respect of each Digital Bond, that the Bond Smart Contract has been funded and instructing the Holders to submit their payment claims to the Bond Smart Contract within the period commencing upon the issuance of such notice and ending at 24:00 UTC on the 3rd Business Day following the Early Redemption Date or Early Termination Date, as applicable, (the "**Early Termination Payment Window**", the "**Early Redemption Payment Window**" or the "**Acceleration Payment Window**");

5) during the Early Redemption Payment Window, the Early Termination Payment Window or the Acceleration Payment Window:

a) each Holder may submit its payment claim to the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract using a digital wallet address to which Digital Bond Tokens are credited; and

b) provided that a Holder's payment claim emanates from a digital wallet address which is included on the Digital Wallet Whitelist and is not included on the Sanctions Blacklist or the Digital Wallet Blacklist, simultaneously with submission by such Holder of a payment claim, the Digital Bond Tokens held by such Holder are automatically burned by the Bond Smart Contract, effecting the cancellation of the Digital Bonds represented by the Digital Bond Tokens held by such Holder and the Bond Smart Contract automatically ('atomically') effects a payment into the Holder's digital wallet in an amount of USDC representing the Early Termination Payment Amount, the Early Redemption Amount or the Acceleration Payment Amount (as applicable) payable in respect of that Holder's claim.

Steps (5) (a) and (b) above occur on an instantaneous or "atomic" delivery-versus-payment basis, thereby eliminating settlement risk for both the Issuer and investors.

The automatic burning of the Digital Bond Tokens is executed by the Bond Smart Contract sending the Digital Bond Tokens to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens.

No interest shall accrue, nor shall any other such amount be payable to any Holder at any time in respect of Digital Bonds, whether or not such Holder has submitted a payment claim in respect of the Early Redemption Payment Amount, the Early Termination Payment Amount or the Acceleration Payment, irrespective of the time at which any such claim is submitted. Nor will any default interest or other amount be payable by the Issuer in the event of any late payment by the Issuer of the Early Redemption Payment Amount, the Early Termination Payment Amount or the Acceleration Payment Amount.

Digital Bonds which have been redeemed and cancelled may not be reissued or resold.

Settlement on Partial Early Redemption

Amounts realised in connection with the partial liquidation of the Underlying T-bills in the event of a Partial Early Redemption pursuant Condition 12)d) (*Redemption – Partial Early Redemption*) (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Partial Liquidation Proceeds**".

The practical steps involved in the Settlement of any Partial Early Redemption of the Digital Bonds on the Partial Early Redemption Settlement Date are as follows:

1) On or before the Partial Early Redemption Settlement Date, the Issuer delivers a notice via e-mail addressed to the Redeeming Holder confirming:

a) the Issuer's agreement to effect a partial early redemption;

b) the principal amount of Digital Bonds to be redeemed (the "**Partial Early Redemption Principal Amount**");

c) the amount payable by the Issuer in respect of the early redemption of such Digital Bonds (the "**Partial Early Redemption Amount**"); and

d) instructing the Redeeming Holder to deliver the Digital Bond Tokens representing the Partial Early Redemption Principal Amount to the digital wallet address of the Issuer, on a free-of-payment basis, within the period commencing upon the issuance of such notice and ending at 18:00 UTC on the Partial Early Redemption Settlement Date (the "**Partial Early Redemption Cut-Off Time**'), which delivery shall constitute the Redeeming Holder's acceptance of the Partial Early Redemption Amount;

2) Provided the Digital Bond Tokens representing the Partial Early Redemption Principal Amount have been received in the digital wallet address of the Issuer by the Partial Early Redemption Cut-Off Time, the Issuer instructs and/or authorizes:

a) the Custodian to liquidate Underlying T-bills in the Securities Collateral Account having a USD principal amount which is equal to the Partial Early Redemption Principal Amount (the "**T-bills Partial Liquidation Amount**") in accordance with the Brokerage and Custody Agreement and to deliver the Partial Liquidation Proceeds to the Cash Collateral Account of the Issuer; and

b) the Custodian to transfer the Partial Liquidation Proceeds in USD from the Cash Collateral Account to the Issuer's account with the On-Off Ramper;

3) upon receipt of the Partial Liquidation Proceeds in the Issuer's account with the On-Off Ramper, the Issuer (or the Tokenizer on its behalf) then calculates the amounts payable (if any) in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) (such amounts to be determined proportionately based upon the principal amount of the Digital Bonds being redeemed pursuant to the Partial Early Redemption) and, as soon as reasonably practicable, procures the payment of those amounts to the relevant recipients (the remaining Partial Liquidation Proceeds, the "**Net Partial Liquidation Proceeds**"). If, due to price movements, the Net Partial Liquidation Proceeds are not sufficient for the Issuer to make payment in full of the Partial Early Redemption Amount (a "**T-bill Sale Shortfall**"), the Tokenizer shall (in accordance with the Arrangement and Tokenization Services Agreement) provide any required funds to the Issuer to cover the amount of such T-bill Sale Shortfall;

4) the Issuer then instructs the On-Off Ramper to convert the Net Partial Liquidation Proceeds in the Issuer's fiat account from USD to USDC and credit such amount in USDC (the "**USDC Partial Liquidation Proceeds**") to the Issuer's digital wallet with the On-Off Ramper;

5) the Issuer then calculates the Partial Early Redemption Payment Amount payable in accordance with Condition 16) (*Pre-enforcement Priorities of Payments*) and if the Partial Early Redemption Payment Amount is not equal to the Partial Early Redemption Amount, delivers a notice by email to the Redeeming Holder informing the Redeeming Holder of the Partial Early Redemption Payment Amount payable in respect of each Digital Bond;

6) provided that the Redeeming Holder's digital wallet address is included on the Digital Wallet Whitelist and is not included on the Sanctions Blacklist or the Digital Wallet Blacklist, the Tokenizer (on the Issuer's behalf), effects a payment in USDC of the Partial Early Redemption Payment Amount from the digital wallet address of the Issuer to the digital wallet address of the Redeeming Holder; and

7) upon payment of the Partial Early Redemption Payment Amount being made to the digital wallet address of the Redeeming Holder, the Tokenizer (on behalf of the Issuer), the Tokenizer calls the Burning Function in the Bond Smart Contract, sending the Digital Bond Tokens

representing the Partial Early Redemption Principal Amount to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented thereby.

Settlement on Maturity

Amounts paid out on the maturity of the Underlying T-Bills (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Collateral Proceeds**".

The practical steps involved in the Settlement of Digital Bonds on the Maturity Date are as follows:

1) on the Maturity Date:

a) the Collateral Proceeds of the Underlying T-bills are credited in USD to the Issuer's Cash Collateral Account;

b) the Issuer then calculates the amounts payable (if any) in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) and, as soon as reasonably practicable, makes payment of those amounts to the relevant recipients (the remaining Collateral Proceeds, the "**Net Collateral Proceeds**");

2) the Issuer shall then:

a) calculate the Final Payout Amount payable in accordance with Condition 16)b) (*Pre-Enforcement Priorities of Payments*) and update the Bond Smart Contract to reflect the Final Payout Amount; and

b) retain from the Net Collateral Proceeds in the Cash Collateral Account an amount in USD sufficient to make payment of the Final Payout Amount due to the Subsequent Issuer in respect of the Digital Bonds delivered to it upon the Rollover Settlement;

3) the Issuer the Issuer (or the Tokenizer on its behalf) shall then instruct the Custodian to transfer the remaining Net Collateral Proceeds in USD from the Cash Collateral Account to the Issuer's account with the On-Off Ramper;

4) the Issuer (or the Tokenizer on the Issuer's behalf) then instructs the On-Off Ramper to convert the Net Collateral Proceeds in the Issuer's fiat account with the On-Off Ramper from USD to USDC and to credit such amount in USDC to the Issuer's digital wallet with the On-Off Ramper (such amount, the "**USDC Collateral Proceeds**");

5) the Issuer then:

a) transfers an amount in USDC sufficient to fund payment of the Final Payout Amount due to all Holders (other than the Subsequent Issuer) from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract (with any remaining USDC Collateral Proceeds to be applied in accordance with paragraph (v) of Condition 16)b) (*Pre-Enforcement Priorities of Payment*)); and

b) publishes a Notice in accordance with Condition 39) (*Notices*) informing the Holders of the Final Payout Amount payable in respect of each Digital Bond, that the Bond Smart Contract has been funded with such Final Payout Amount and instructing the Holders to submit their payment claims to the Bond Smart Contract within the period commencing upon the issuance of such Notice and ending at 24:00 UTC on 4 March 2025 (the "**Scheduled Redemption Payment Window**");

6) during the Scheduled Redemption Payment Window:

a) the Issuer shall transfer an amount in USD sufficient to fund payment of the Final Payout Amount due to the Subsequent Issuer from the Cash Collateral Account to the cash collateral account of the Subsequent Issuer;

b) each Holder may submit its payment claim to the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract using a digital wallet address to which Digital Bond Tokens are credited; and

c) provided that a Holder's payment claim emanates from a digital wallet address which is included on the Digital Wallet Whitelist and is not included on the Sanctions Blacklist or the Digital Wallet Blacklist, simultaneously with submission of each Holder's payment claim, the Digital Bond Tokens held by such Holder are automatically burned by the Bond Smart Contract, cancelling the Digital Bonds represented by such Digital Bond Tokens and the Bond Smart Contract will automatically ('atomically') send to the Holder's digital wallet in an amount of USDC representing the Final Payout Amount payable in respect of the Holder's claim.

Steps (6) (b) and (c) above occur on an instantaneous or "atomic" delivery-versus-payment basis, thereby eliminating settlement risk for both the Issuer and investors.

The automatic burning of the Digital Bond Tokens is executed by the Bond Smart Contract sending the Digital Bond Tokens to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens.

No interest shall accrue, nor shall any other such amount be payable to any Holder at any time in respect of Digital Bonds, whether or not such Holder has submitted a payment claim in respect of the Final Payout Amount, irrespective of the time at which any such claim is submitted. Nor will any default interest or other amount be payable by the Issuer in the event of any late payment by the Issuer of the Final Payout Amount.

Alternative Settlement Procedures

If the Issuer determines that settlement in accordance with any of the above procedures will not be practicable, the Issuer will deliver a Notice to the Holders in accordance with Condition 39) (*Notices*) informing the Holders of the alternative settlement procedures to be followed, which may include an on-chain payment in USDC (or the Replacement Settlement Currency) (as defined in Condition 34) (*Depeg Event*)) by or on behalf of the Issuer to the digital wallet address of the Holder or an off-chain payment in fiat to the USD bank account provided by the Holder to the Tokenizer for such purpose, in each case against delivery by each Holder of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer, which may be on a free-of-payment basis.

No Re-issuance

Digital Bonds which have been redeemed and cancelled may not be re-issued.

Rollover Settlement

Digital Bonds represented by Digital Bond Tokens in the Bond Token Vault as of the Rollover Cut-Off Time ("**Maturing Bonds**") shall be exchanged upon their Maturity Date for Rollover Bonds of the next Series in accordance with the following procedures as prescribed in Condition 18) (*Rollover Settlement*):

i) a single Subscription Order for Rollover Bonds (an "**Automatic Rollover Subscription Order**") is placed by the Tokenizer on behalf of the Holders of all Maturing Bonds during the book-building period for the Rollover Bonds;

ii) the Bond Smart Contract for each Series of Rollover Bonds (each, a "**Rollover Bonds Smart Contract**") is programmed to deliver, upon settlement of Subscription Orders for such Rollover Bonds, Digital Bond Tokens representing Rollover Bonds against either an amount in USDC or the delivery of Digital Bond Tokens representing Maturing Bonds to the digital wallet of the Issuer;

iii) a price is ascribed to each Maturing Digital Bond to be delivered to the Subsequent Issuer (the "**Rollover Price**") which shall be equal to the Final Payout Amount payable in respect of such Maturing Bond;

iv) the aggregate principal amount of Rollover Bonds subscribed pursuant to the Automatic Rollover Subscription Order will be such principal amount of Rollover Bonds having an aggregate Issue Price which is equal to the aggregate Rollover Price of the Maturing Bonds;

v) the Automatic Rollover Subscription Order will be settled during the Issuance Settlement Window for the Rollover Bonds by the Tokenizer executing the Rollover Function of the Bond Token Vault Smart Contract, whereby the Digital Bond Tokens representing Maturing Bonds are transferred from the Bond Token Vault to the digital wallet of the Subsequent Issuer, and the Digital Bond Tokens representing the subscribed Rollover Bonds are simultaneously (atomically) minted and delivered from the Rollover Bonds Smart Contract into the Bond Token Vault (a "**Rollover Settlement**"); and

The number of Digital Bond Tokens representing Rollover Digital Bonds which will be delivered into the Bond Token Vault upon a Rollover Settlement will be equal to the result of the following calculation, as performed automatically by the Bond Token Vault Smart Contract:

(number of Digital Bond Tokens in the Bond Token Vault) multiplied by: (the Rollover Price ascribed to each Maturing Bond) divided by / (the Issue Price for each Rollover Bond)

Upon completion of each Rollover Settlement, the Tokenizer shall update the Bond Token Vault Smart Contract such that the Rollover Bonds become the Vault Series and the Bond Token Vault shall thereafter only allow Holders to make Token Deposits and Receiptholders to make Token Withdrawals of Digital Bond Tokens representing Digital Bonds of that Series, until the next Rollover Cut-Off Time.

Upon completion of the Rollover Settlement, the Subsequent Issuer (or the Tokenizer acting on its behalf) shall submit a Payment Claim to the Preceding Issuer, which claim shall be paid by the Preceding Issuer delivering an amount in USD representing such Final Payout Amount (such amount to be paid from the cash collateral account of the Preceding Issuer out of the proceeds received by it upon redemption of the Underlying T-bills held by it), to the Cash Collateral Account of the Subsequent Issuer.

Following such payment, the Digital Bond Tokens representing the Maturing Bonds acquired by the Subsequent Issuer will be sent to the Ethereum universal burn address, effecting the cancellation of such Maturing Bonds.

The Subsequent Issuer shall apply the Final Payout Amount received by it in respect of the Maturing Bonds towards settlement of the purchase of Underlying T-bills in an aggregate principal amount equal to the aggregate principal amount of Rollover Bonds represented by the Digital Bond Tokens delivered into the

Bond Token Vault, which Underlying T-bills shall be deposited into the Securities Collateral Account of the Subsequent Issuer as collateral for the Rollover Bonds.

The Subsequent Issuer shall then post a Notice to the Holders of the Rollover Bonds in accordance with Condition 39) (*Notices*), informing such Holders:

(1) that the Rollover Settlement has been completed;

(2) the Rollover Price ascribed to the Maturing Bonds;

(3) the Issue Price paid for the Rollover Bonds;

(4) the amount of the Tokenization Services Fee and Issuance Fee paid in respect of the issuance of the Rollover Bonds;

(5) the principal amount of Digital Bond Tokens representing Maturing Bonds which have been delivered from the Bond Token Vault to the Subsequent Issuer;

(6) the principal amount of Digital Bond Tokens representing Rollover Bonds which have been delivered from the Rollover Bonds Smart Contract into the Bond Token Vault;

(7) the Final Payout Amount paid to the Subsequent Issuer in respect of the Maturing Bonds;

(8) the principal amount of Underlying T-bills purchased by the Subsequent Issuer with the Final Payout Amount paid to it in respect of the Maturing Bonds; and

(9) that the Bond Token Vault Smart Contract has been updated such that the Rollover Bonds have become the Vault Series.

Upon completion of the Rollover Settlement, each Receiptholder shall automatically (without any action on the part of the Holder) become entitled to an Aggregate Share of the Digital Bond Tokens in the Bond Token Vault representing Rollover Bonds equivalent to the Aggregate Share of the Digital Bond Tokens representing Maturing Bonds to which such Receiptholder was entitled as of the Rollover Cut-Off Time (the value of such Aggregate Share will reflect any change to the value of the Digital Bond Tokens in the Bond Token Vault as a result of the yield earned on the Maturing Bonds).

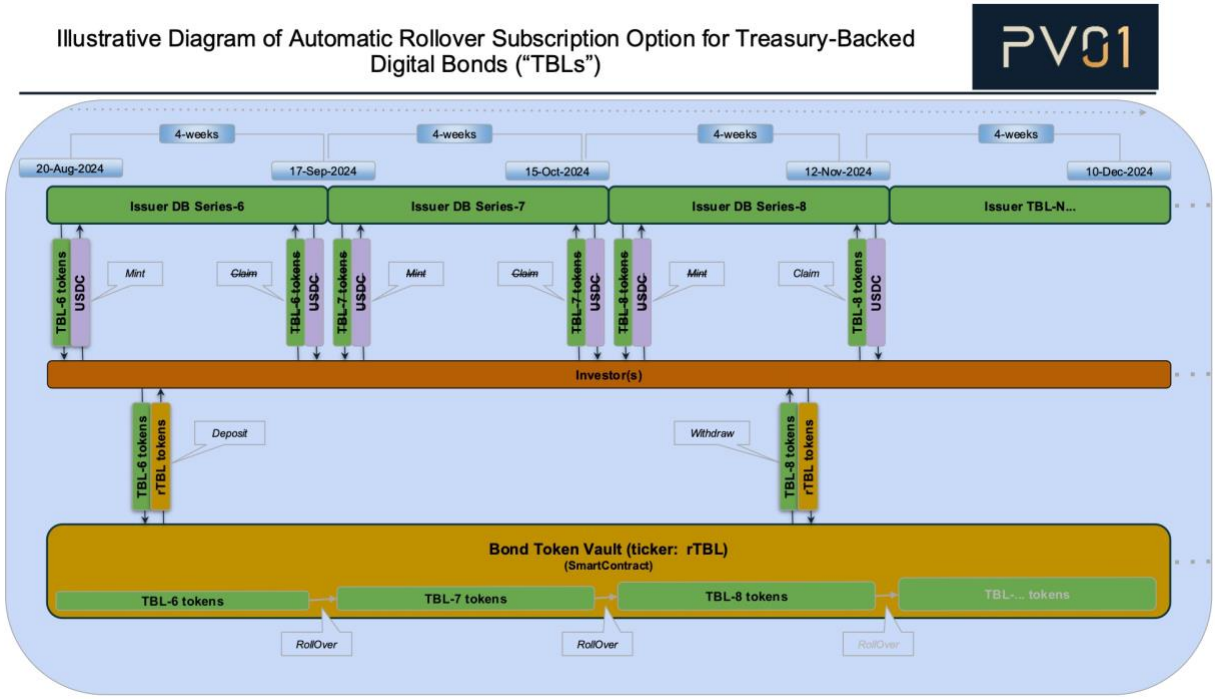
Each Bond Token Receipt shall, following a Rollover Settlement, represent:

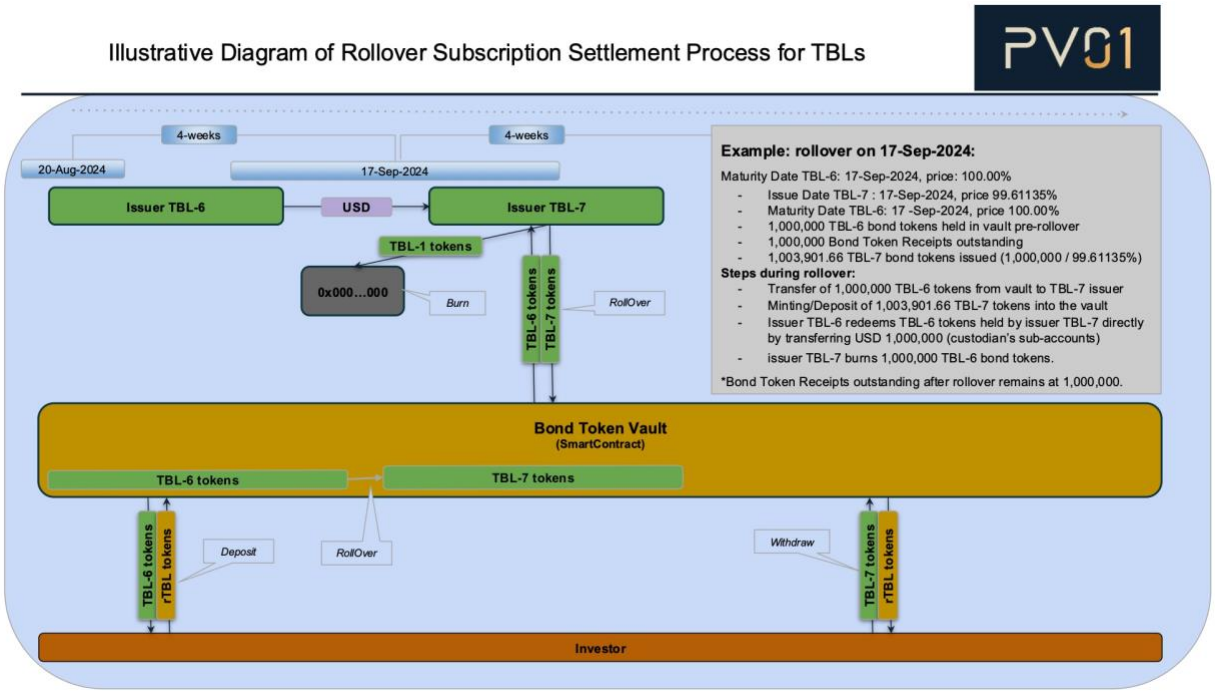
(i) the Holder's ownership of such number of Rollover Bonds as are represented by the number of Digital Bond Tokens which may be exchanged with the Bond Token Vault for such Bond Token Receipt at that time;

(ii) the Holder's right to receive from the Bond Token Vault, in exchange for such Bond Token Receipt, the number of Digital Bond Tokens representing Rollover Bonds as are represented by such Bond Token Receipt at that time, by making a Bond Token Withdrawal; and

(iii) provided the Holder has not withdrawn such Digital Bond Tokens before the next Rollover Cut-Off Time, the Holder's instructions (subject at all times to these Conditions) for such Digital Bond Tokens to be exchanged for Digital Bond Tokens representing the next Series of Rollover Bonds on the Maturity Date of the Rollover Bonds represented thereby.

Illustrative Diagrams of Automatic Rollover Subscription Option and Rollover Settlement Process





Bond Smart Contract Sweeping

Upon expiry of the Early Redemption Payment Window, the Early Termination Payment Window, the Scheduled Redemption Payment Window, the USDC Smart Contract Realization Payment Window (as defined in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*)) or the Depeg Settlement Window or the Replacement Currency Settlement Window (each as defined in Condition 34) (*Depeg Event*) (each, a "**Payment Window**"), any amount of USDC (or of the Replacement Settlement Currency, as the case may be) remaining unclaimed in the Bond Smart Contract will be transferred back to the Issuer's Fireblocks digital wallet (such process referred to as "**Sweeping**") in accordance with Condition 20) (*Bond Smart Contract Sweeping*).

Any payment claim submitted to the Bond Smart Contract after Sweeping has occurred will be automatically rejected by the Bond Smart Contract. In that event, Holders are instructed to follow the procedures outlined in Condition 21) (*Payment Claim Failure*).

Holders should not attempt to send Digital Bond Tokens to the Bond Smart Contract other than through the 'claim repayment' function on the Pivio Platform or in the Smart Contract, unless specifically instructed by the Issuer.

Payment Claim Failure

Any Holder whose payment claim has been rejected by the Bond Smart Contract due to such Holder failing to submit such claim during the relevant Payment Window, the digital wallet address of such Holder not being included on the Digital Wallet Whitelist or due to another technical issue should contact the Tokenizer directly by e-mail or via the Pivio Platform to arrange for an alternative method of settlement in accordance with Condition 21) (*Payment Claim Failure*).

Any settlement will be subject to prior satisfactory completion by the Holder of Investor Screening.

If any Holder fails to satisfactorily complete Investor Screening, the Issuer may refuse to make any payment in respect of the Digital Bonds of the Holder and the Issuer shall be entitled at its discretion to add the digital wallet address of such Holder to the Digital Wallet Blacklist.

The method of any alternative settlement will be at the discretion of the Issuer and may be an on-chain payment by or on behalf of the Issuer in USDC (or the Replacement Settlement Currency) or an off-chain payment in fiat to the USD-denominated bank account designated by the Holder, against delivery by the Holder of the Digital Bond Tokens held by it to the Issuer (whether to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed), which may be on a free-of-payment basis.

Any transaction costs incurred by the Issuer in connection with alternative settlement procedures necessitated as a result of a Payment Claim Failure (including, without limitation, DLT Fees and currency conversion or wire transfer fees), shall be for the account of the Holder and may be deducted by the Issuer prior to making payment to the Holder.

If a Payment Claim Failure occurs due to the digital wallet address of the Holder being included on the Sanctions Blacklist and/or the Digital Wallet Blacklist, the Issuer may refuse to make payment to the Holder until such time as the Holder's digital wallet address is removed from the Sanctions Blacklist and/or the Digital Wallet Blacklist. The Issuer shall be under no obligation to remove a digital wallet address from the Digital Wallet Blacklist if the Holder is unable to satisfactorily complete Investor Screening.

If a Payment Claim Failure occurs following the occurrence of a Realization Event, the Tokenizer shall perform the procedures contemplated to be performed by it in Condition 21) (*Payment Claim Failure*) on behalf of the Security Agent. The Security Agent will at all times refuse to make payment to any Holder

whose digital wallet address is included on the Sanctions Blacklist or the Digital Wallet Blacklist (which the Tokenizer will share with the Security Agent an on which it shall be entitled to rely).

None of the Issuer, the Tokenizer or the Security Agent will be liable to any Holder for any loss or expense suffered or incurred as a result of the digital wallet address of such Holder being included at any time on the Sanctions Blacklist or the Digital Wallet Blacklist, for any decision taken to withhold payment from any Holder due to such Holder failing to satisfactorily complete Investor Screening or the digital wallet address of such Holder being included on the Sanctions Blacklist or the Digital Wallet Blacklist or any decision to add or maintain the digital wallet address of any Holder on the Digital Wallet Blacklist.

Bond Token Deposit Failure and Bond Token Withdrawal Failure

If, at any time, a Holder's Bond Token Deposit is rejected by the Bond Token Vault Smart Contract (a "**Bond Token Deposit Failure**") due to such Holder failing to submit its Bond Token Deposit request prior to the Rollover Cut-Off Time, but the Holder still wishes to exercise the Automatic Rollover Subscription Option, such Holder may contact the Tokenizer directly off-chain (by e-mail or via the Pivio Platform).

The Tokenizer shall consider possible alternative arrangements for the Holder to participate in the Automatic Rollover. If it is not possible for an alternative settlement to be arranged, the Holder shall retain the Digital Bond Tokens in its possession and must submit a repayment claim in respect of the Digital Bonds represented thereby into the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract during the Scheduled Redemption Settlement Window.

If, at any time, a Receiptholder's Bond Token Withdrawal is rejected by the Bond Token Vault Smart Contract (a "**Bond Token Withdrawal Failure**") due to such Receiptholder failing to submit its Bond Token Withdrawal to the Bond Token Vault Smart Contract prior to the Rollover Cut-Off Time, the number of Digital Bond Tokens represented by the Bond Token Receipts of such Receiptholder will be automatically delivered to the Rollover Bonds Smart Contract upon the next Rollover Settlement. There is nothing the Receiptholder, the Issuer or the Tokenizer may do to prevent this. Following the Rollover Settlement, the Bond Token Receipts of such Receiptholder will be exchangeable for Digital Bond Tokens representing Rollover Bonds, in respect of which the Receiptholder may make a Bond Token Withdrawal at any time prior to the next Rollover Cut-Off Time.

If, at any time, a Bond Token Deposit or Bond Token Withdrawal is rejected by the Bond Token Vault Smart Contract due to a technical issue, the Holder or Receiptholder will need to contact the Tokenizer directly off-chain (by e-mail or via the Pivio Platform). The Tokenizer shall consider possible arrangements for an alternative settlement of such Bond Token Deposit or Bond Token Withdrawal. If it is not possible for an alternative settlement to be arranged, the Holder shall, in the case of a Bond Token Deposit Failure, retain the Digital Bond Tokens held by it and shall be entitled to submit a repayment claim into the Bond Smart Contract during the Scheduled Redemption Settlement Window or, in the case of a Bond Token Withdrawal Failure, the Receiptholder shall retain the Bond Token Receipts held by it, the Digital Bond Tokens in the Bond Token Vault will be exchanged upon the Rollover Settlement for Digital Bond Tokens representing Rollover Bonds and the Receiptholder shall be entitled to make a new Bond Token Withdrawal of such Digital Bond Tokens.

Any transaction costs incurred by the Issuer in connection with alternative settlement procedures necessitated as a result of a Bond Token Deposit Failure or a Bond Token Withdrawal Failure (including, without limitation, DLT Fees), shall be for the account of the Holder or Receiptholder and may be deducted by the Issuer prior to making any payment or delivery to the Holder or Receiptholder or executing any other transaction on the DLT.

If a Bond Token Deposit Failure or a Bond Token Withdrawal Failure occurs due to the digital wallet address of the Holder or Receiptholder being included on the Sanctions Blacklist and/or the Digital Wallet Blacklist

(each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), the Issuer may refuse to assist the Holder or Receiptholder in making such Bond Token Deposit or Bond Token Withdrawal until such time as the Holder's or Receiptholder's digital wallet address is removed from the Sanctions Blacklist and/or the Digital Wallet Blacklist. The Issuer shall be under no obligation to remove a digital wallet address from the Digital Wallet Blacklist if the Holder or Receiptholder is unable to satisfactorily (in the Issuer's sole discretion) complete Investor Screening.

If any Holder or Receiptholder fails to satisfactorily complete Investor Screening and/or the Issuer knows or (in its absolute discretion) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime, the Issuer may, refuse to assist the Holder or Receiptholder in making a Bond Token Deposit or Bond Token Withdrawal and the Issuer shall be entitled at its discretion to add the digital wallet address of such Holder or Receiptholder to the Digital Wallet Blacklist.

None of the Issuer, the Tokenizer or the Security Agent shall be liable to any Holder or Receiptholder for any loss or expense suffered or incurred as a result of the digital wallet address of such Holder or Receiptholder being included at any time on the Sanctions Blacklist or the Digital Wallet Blacklist or for any decision taken by the Issuer or the Security Agent to refuse to assist such Holder or Receiptholder in making a Bond Token Deposit or a Bond Token Withdrawal due to the Holder or Receiptholder failing to satisfactorily complete Investor Screening, the digital wallet address of such Holder or Receiptholder being included on the Sanctions Blacklist or the Digital Wallet Blacklist or any decision taken by the Issuer or the Tokenizer to add or maintain the digital wallet address of such Holder or Receiptholder on the Digital Wallet Blacklist.

None of the Issuer, the Tokenizer or the Security Agent shall be liable to any Holder or Receiptholder for any loss or expense suffered or incurred as a result of a Bond Token Deposit Failure or a Bond Token Withdrawal Failure.

Gas Fees

Each transaction on the DLT (including, without limitation, a payment into the Bond Smart Contract, the transfer of any Digital Bond Tokens, Bond Token Receipts, USDC or other stablecoins, the submission of a payment claim into the Bond Smart Contract or interaction with the Bond Token Vault Smart Contract, including a deposit or withdrawal of Bond Token Receipts to or from the Bond Token Vault) will incur a DLT transaction fee, which may be referred to as a 'gas fee', and which, in the case of the DLT is payable in Ether (the native cryptocurrency for the Ethereum blockchain) ("**ETH**") and deducted automatically from the digital wallet initiating the relevant transaction ("**Gas Fees**"). The amount of Gas Fees payable in relation to any transaction will vary with the gas prices on the DLT at the time of execution.

Unless otherwise expressly provided, all Gas Fees in connection with the DLT transactions initiated by potential investors or Holders in connection with the Digital Bonds shall be for the account of the potential investor or Holder and all Gas Fees in connection with DLT transactions initiated by the Issuer or executed by the Bond Smart Contract or the Bond Vault Smart Contract shall be for the account of the Issuer.

Loss of Digital Bond Tokens or Bond Token Receipts

None of the Issuer, the Arranger, the Tokenizer, the Security Agent or any other party shall be responsible for or have any liability in respect of the loss by a Holder or Receiptholder of access to or control over or the ability to operate the digital wallet in which such Holder holds Digital Bond Tokens or Bond Token Receipts due to loss of the private keys to such digital wallet address or otherwise, or for any other loss by a Holder or Receiptholder of control over Digital Bond Tokens or Bond Token Receipts held by it for any reason, whether due to hacking, theft, cyber-attack, technical issues with the DLT or otherwise (including a Distributed Ledger Event as described in Condition 33) (*Distributed Ledger Event*) or a Fork Event as described in Condition 32) (*Fork Event*).

If a Holder or Receiptholder loses access to, control over or the ability to operate the digital wallet address in which it holds Digital Bond Tokens or Bond Token Receipts, as a result of the loss of such Holder's private key or otherwise, it will not be possible for such Holder or Receiptholder to retrieve Digital Bond Tokens from the Bond Token Vault, to claim payment under the Digital Bonds through the Bond Smart Contract or to arrange for an alternative method of settlement with the Issuer. There is nothing the Issuer, the Arranger, the Tokenizer, the Security Agent or any other party can do to assist the Holder or Receiptholder to regain access to such digital wallet address and such Digital Bond Tokens or Bond Token Receipts cannot be replaced.

Such Holder or Receiptholder may, however, following any Early Termination Date or Early Redemption Date, the Depeg Settlement Date, the Realization Payment Date or the Maturity Date, after closing of the relevant Payment Window and completion of Sweeping, contact the Tokenizer directly off-chain (via e-mail or the Pivio Platform) to inform the Tokenizer of such loss and to request that payment of amounts due in respect of the Digital Bonds represented by such Digital Bond Tokens be made to the Holder, or that the Digital Bond Tokens be delivered to it notwithstanding the Receiptholder's inability to re-deliver such Digital Bond Tokens or Bond Token Receipts to the Issuer or to the Bond Token Vault.

In that circumstance, the Issuer may determine (in its sole discretion and subject to the provision of any requested indemnities) to take any action it considers appropriate in relation to the subject Digital Bond Tokens or the Bond Token Receipts, including, without limitation, adding the digital wallet address to which such Digital Bond Tokens or Bond Token Receipts are credited to the Digital Wallet Blacklist or exercising any other Bond Smart Contract Functions or Bond Token Vault Smart Contract Functions to ensure that no further dealings in such Digital Bond Tokens or Bond Token Receipts may occur.

Subject to successful completion of Investor Screening and provided that the Holder or Receiptholder is able to furnish credible (as determined by the Issuer or the Tokenizer on its behalf, in its sole and absolute discretion) evidence of such Holder's or Receiptholder's original possession (in accordance with the Conditions) of such Digital Bond Tokens or Bond Token Receipts and of the Holder's or Receiptholder's loss thereof (a "**Verified Loss**"), the Tokenizer on behalf of the Issuer shall use commercially reasonable efforts to verify the Holder's or Receiptholder's loss and to locate such Digital Bond Tokens or Bond Token Receipts.

If the Tokenizer has been able to locate the Digital Bond Tokens or Bond Token Receipts and is satisfied, in its absolute discretion, that no other Holder, Receiptholder or person has made or may potentially make a claim for payment in respect of the Digital Bonds represented by such Digital Bond Tokens or for delivery of Digital Bond Tokens represented by such Bond Token Receipts, the Tokenizer may accept such Holder's or Receiptholder's claim and, (i) in the case of Digital Bond Tokens, arrange for payment to be made to such Holder of any amount due in respect of the Digital Bonds represented by such Digital Bond Tokens, or (ii) in the case of Bond Token Receipts, arrange for replacement Bond Token Receipts or Digital Bond Tokens to be delivered to the Receiptholder or for payment to be made to such Receiptholder in respect of the Digital Bonds represented by the number of Digital Bond Tokens to which the Receiptholder would have been entitled, in each case, in such manner and in such currency (fiat or crypto) as the Issuer (or the Tokenizer on its behalf) may determine in its discretion, with any costs associated with such settlement or delivery being at the expense of the Holder or Receiptholder.

Upon any such payment being made to a Holder or a Receiptholder, the Issuer's obligations in respect of the Digital Bonds represented by the Digital Bond Tokens shall be discharged.

Under no circumstances shall the Issuer, the Tokenizer or the Security Agent be liable for any determination made by the Issuer in accordance with Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*), nor shall the Issuer, the Tokenizer or the Security Agent be required to investigate or assess the legitimacy of any transfer of Digital Bond Tokens or Bond Token Receipts.

Sanctions, Transfer Restrictions and Eligibility Criteria

Any transfer of Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts) is subject to compliance with the Selling Restrictions, the Sanctions Restrictions (together, the "*Transfer Restrictions*") and the Eligibility Criteria set out in this Offering Memorandum and in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions.

The Digital Bond Tokens and the Bond Token Receipts are freely transferable to any digital wallet address on the DLT other than a digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist.

Each of Bond Smart Contract and the Bond Token Vault Smart Contract is programmed to automatically block any attempted transfer of the Digital Bond Tokens and the Bond Token Receipts, respectively, to or from a digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist.

Sanctions Restrictions

Holders and Transferees of the Digital Bonds are deemed to be aware of, to have read and understood, and by acquiring any Digital Bonds (whether by receiving a Digital Bond Token or a Bond Token Receipt) are deemed to have agreed and undertaken to comply with, the following provisions regarding sanctions compliance (the "Sanctions Restrictions") when conducting any Secondary Transfer of Digital Bonds (whether by transferring a Digital Bond Token or a Bond Token Receipt), including (without limitation) by performing such checks and taking such other steps as may be required thereunder to verify that the person or entity associated with any digital wallet address from which a potential investor proposes to acquire or to which a Holder proposes to transfer Digital Bonds is not a Sanctions Target (as defined below):

a) Digital Bonds must not be issued or sold to Sanctions Targets and Digital Bond Tokens and Bond Token Receipts must not be transferred to or from any digital wallet address associated with a person or entity which is a Sanctions Target.

b) The Investor Screening procedures conducted by the Tokenizer on behalf of the Issuer upon the primary issuance of the Digital Bonds are designed to prevent any potential investor who is identified as a Sanctions Target from purchasing the Digital Bonds (or, for the avoidance of doubt, being issued with Digital Bond Tokens).

c) In addition, as described in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions and under "*Terms and Conditions of the Offer – Sanctions Blacklist*" above), each of the Bond Smart Contract and the Bond Token Vault Smart Contract is programmed to reject any transfer of a Digital Bond Token or a Bond Token Receipt to or from a digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist.

d) However, the fact that a digital wallet address is not included on the Sanctions Blacklist or the Digital Wallet Blacklist at any given time is not a guarantee that the person or entity associated with such digital wallet address is not a Sanctions Target and therefore, Holders and other persons (including those acquiring Digital Bond Tokens or Bond Token Receipts as a result of Secondary Transfers) are responsible for performing their own checks, conducting their own due diligence and taking such other steps as may be necessary in this regard.

e) Persons acquiring and Holders transferring Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts) on the secondary market are required to inform themselves about the applicable Sanctions Regulations (defined below) and to comply therewith, including by

performing such checks and taking such other steps as may be required thereunder to verify that the person or entity associated with any digital wallet address from which a potential investor proposes to acquire or to which a Holder proposes to transfer Digital Bond Tokens or Bond Token Receipts is not a Sanctions Target.

f) None of the Issuer, the Security Agent or the Tokenizer shall be liable to any Holder or other person or entity in respect of any loss suffered by such Holder or other person or entity as a result of the Issuer, the Security Agent and/or the Tokenizer's compliance with applicable Sanctions Regulations, including as a result of the inclusion or maintenance of a digital wallet address on the Digital Wallet Blacklist or the Sanctions Blacklist or the refusal to include a digital wallet address on the Digital Wallet Whitelist.

g) For purposes of these requirements:

i) "**Sanctions Regulations**" means any regulations in respect of compliance with Sanctions of any Sanctions Authority;

ii) "**Sanctions**" means any economic or financial sanctions, trade embargoes or other similar prohibitions or restrictions on activity pursuant to any laws, regulations, orders or licenses imposed, administered or enforced from time to time by a Sanctions Authority;

iii) "**Sanctions Authority**" means any authority responsible for the imposition, administration and/or enforcement of Sanctions, including: (a) the United Nations Security Council; (b) the United States (including the US Department of Treasury Office of Foreign Assets Control and the US State Department); (c) the United Kingdom (including HM Treasury Office of Financial Sanctions Implementation); (d) the European Union and the Member States of the European Union; and (e) the sanctions authorities of the place of residence, incorporation or establishment of the Issuer, any Holder and/or any potential transferee of the Digital Bonds, and, in each case, any successor to, or replacement for, any such authority; and

iv) "**Sanctions Target**" means any country, territory entity or person: (a) listed in any Sanctions-related list maintained by any Sanctions Authority; (b) located, organized or resident in, or having substantial commercial ties with a country or territory that is the subject or target of comprehensive Sanctions; or (c) which otherwise is the target of any Sanctions, including, without limitation, any entity or person controlled (howsoever such control or any equivalent concept is determined in accordance with the relevant Sanctions) or 50 percent or more owned in the aggregate, directly or indirectly, by any target or targets of Sanctions (irrespective of whether or not any such entity is an affiliate of the target of such Sanctions).

Selling Restrictions

By acquiring the Digital Bonds, Holders are deemed to have reviewed, understood, consented to and undertaken to comply with, the Selling Restrictions set out in this Offering Memorandum and in the Conditions, including, without limitation, the prohibition against sales to U.S. Persons or to retail investors (or the equivalent as defined under the local laws of the purchasing investor's jurisdiction). See further under "*Selling Restrictions*" below.

Holders conducting secondary transfers of the Digital Bonds, are responsible for performing their own "know-your-client" ("KYC") checks, conducting their own due diligence and taking such other steps as may be necessary to ensure the transfer is compliant with the Selling Restrictions, including (without limitation) steps to verify that the proposed transferee:

i) is not a U.S. Person (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions);

ii) is not resident in, or engaged in or carrying on any trade or business in or from,

Bermuda;

iii) is a 'professional investor,' 'institutional investor', 'accredited investor' or equivalent and is not a 'retail investor' or equivalent (each as defined under the laws of the transferee's home jurisdiction); and

iv) is otherwise eligible to purchase the Digital Bonds in accordance with the Selling Restrictions as set out in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions) and all other securities laws applicable in the proposed transferee's home jurisdiction.

Eligibility Criteria

In addition to the Sanctions Restrictions and the Selling Restrictions, the following natural or legal persons (Persons) are NOT eligible to purchase the Digital Bonds:

a. Persons under the age of 18 or legal age to contract in their home jurisdiction;
b. U.S. Persons (as defined in Regulation S, section 902 under the United States Securities Act, 1933 (as amended));
c. Persons who are resident in, or engaged in or carrying on any trade or business in or from, Bermuda;
d. Retail investors (or the equivalent as defined under the laws of their home jurisdiction);
e. Persons whose identification cannot be verified or who refuse to provide sufficient information to establish their identity;
f. Persons with material exposure to a country subject to comprehensive Sanctions, whether by the UK, EU, US or UN;
g. Persons and/or associated individuals who are subject to Sanctions whether by the UK, EU, US or UN;
h. Shell banks;
i. Arms dealers, manufacturers, sellers of arms and munitions (including cluster munitions), and unlicensed gun stores;
j. Persons known, or reasonably suspected to be, involved in criminal activity;
k. Persons with underlying clients that do not have comprehensive AML/ATF/KYC programmes as required by law;
l. Non-bank financial institutions and money services businesses (MSBs) operating without the required licences or registrations (as appropriate to the jurisdiction);
m. Entities and/or associated individuals who have been subject to regulatory sanction, criminal conviction (including, without limitation, fraud, tax evasion or other serious offences);
n. Persons who participate in the unlicensed trade of national and/or historic cultural property;
o. Persons designated as a Primary Money Laundering concern by the US Treasury under section 311 of the USA Patriot Act; or
p. Direct or indirect criminal or quasi-criminal customers (such as escort services or wider sex trade, illegal narcotics, child pornography or human trafficking).

The Digital Bonds are not to be sold to any Person (and Digital Bond Tokens and Bond Token Receipts are not to be transferred to a digital wallet address associated with any Person) which does not meet the Eligibility Criteria). By acquiring the Digital Bonds, Holders are deemed to have reviewed, understood, consented to and undertaken to take all necessary steps to comply with, the Eligibility Criteria.

Holder Undertakings

In accordance with Condition 6)d) (*Selling Restrictions, Sanctions Restrictions and Eligibility Criteria - Holder Undertakings*), Holders are deemed to be aware of, to have read and understood, and by acquiring the Digital Bonds are deemed to have agreed and undertaken to comply with, the Selling Restrictions and the Sanctions Restrictions set out in this Offering Memorandum and in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions, (together, the "**Transfer Restrictions**") including, without limitation, the prohibition against transfers to U.S Persons or to retail investors (or the equivalent under the local laws of the purchasing investor's jurisdiction) and to take all necessary steps to comply with the Eligibility Criteria set out in this Offering Memorandum and in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) of the Conditions.

Holder Representations

Each Holder, by acquiring any Digital Bonds, shall be deemed to make and give to each of the Issuer, the Arranger, the Tokenizer and the Security Agent:

i) at the time of its acquisition of such Digital Bonds; and

ii) at the time of submitting a claim for any payment under the Digital Bonds,

the representations, warranties and acknowledgements set out in Schedule 3 (*Holder Representations*) to the Conditions and in the section of this Offering Memorandum entitled "*Representations and Acknowledgements by Holders*".

Modifications to Transfer Restrictions and Eligibility Criteria

The Issuer reserves the right to update and/or impose further Transfer Restrictions and Eligibility Criteria from time to time at its sole discretion.

Any modification to the Transfer Restrictions or the Eligibility Criteria will be promptly published or otherwise notified to the Holders by way of a Notice in accordance with Condition 39) (*Notices*). Holders shall be deemed to have reviewed, understood and accepted and shall be required to comply with the Transfer Restrictions and to take all necessary steps to comply with the Eligibility Criteria as so modified upon the publication of any such Notice.

Interests of Natural and Legal Persons involved in the Issue/Offer

Conflicts of interest which may arise among the Issuer, the directors of Digital Bonds Ltd, PV01 Capital Markets Ltd. ("**PV01**", the "**Arranger**" and the "**Tokenizer**") include, but are not necessarily limited to, the following:

One of the directors of Digital Bonds Ltd operates also as a member of the Board of Directors of the Arranger and Tokenizer and as a board member of the Arranger and Tokenizer's parent company, HDL MF SA (Belgium). Furthermore, key personnel and directors of the Issuer, the Arranger and Tokenizer and/or the Tokenizer's parent may hold Digital Bonds, other financial instruments and digital assets on their personal names and accounts. These individuals are under no obligation to disclose their holdings, changes in the value of their holdings, or any trading activity in those holdings. These interests may deviate or conflict with interests of Holders of the Digital Bonds.

Digital Bonds Ltd has entered into a contract with the Arranger to receive ongoing arranger services. The Issuer has entered into a contract with the Arranger and Tokenizer in order to receive arrangement and tokenization services. Thus, the Arranger and Tokenizer is contractually bound with each of Digital Bonds Ltd and the Issuer but at the same time also has a director in common with Digital Bonds Ltd who directs the management of Digital Bonds Ltd and the Issuer. Therefore, a potential conflict of interest may arise, in which situation the interests of the Arranger and Tokenizer may prevail and the activity of Digital Bonds Ltd and/or the Issuer may be detrimentally affected and/or the Holders may endure a loss of their investment.

Pursuant to the Arranger Agreement, PV01 in its capacity as Arranger has agreed to provide funding to Digital Bonds Ltd in respect of its operational expenses and pursuant to the Arrangement and Tokenization Agreement, PV01 in its capacity as Tokenizer has agreed to provide funding to the Issuer in respect of the Issuer Fees and Expenses. PV01 is in turn funded by its Parent, HDL MF SA at its discretion. Conflicts could arise between the interests of HDL MF SA and those of PV01 in its capacity as Arranger and Tokenizer, which could negatively impact the ability of PV01 to fulfil its funding obligations to Digital Bonds Ltd and the Issuer.

PV01 exercises decision-making authority over Digital Bonds Ltd and the Issuer in its role as Arranger to Digital Bonds Ltd and as Arranger and Tokenizer to the Issuer. Accordingly, the Tokenization Services Fee that the Tokenizer will receive as consideration for those services has not been established on the basis of an arm's-length negotiation with the Issuer. However, PV01 believes that the Tokenization Services Fee being charged is reasonably comparable to the fee that would otherwise be charged to the Issuer by an independent third-party servicer.

One of the directors of PV01 will serve as a director of Digital Bonds Ltd (and the Issuer) and in that capacity will be required to make decisions that such director considers to be in the best interests of the Issuer. In such capacity, there could be conflicts between such individual's duties as a principal of PV01 and such individual's duties as a Director of Digital Bonds Ltd.

Potential conflicts of interest may also exist between the Tokenizer and the Holders, including with respect to certain determinations and judgements that the Tokenizer may make on behalf of the Issuer pursuant to the Conditions (for example with regard to the exercise by the Issuer of its rights to effect any early termination or early redemption of the Digital Bonds, to determine settlement methods and to give instructions to the Security Agent) that may influence the method and timing for making any payments and the amount receivable upon settlement of the Digital Bonds. In performing its role, the Tokenizer is not required to act in the interests of the Holders where these may conflict with its own interests or those of the Issuer. The Tokenizer also acts as Calculation Agent for the Issuer and in such capacity acts as agent for the Issuer and owes no obligation to the Holders. Pursuant to the Arrangement and Tokenization Services Agreement, the Issuer has also granted the Tokenizer extensive authority to operate the Issuer's

fiat and crypto wallets and accounts and perform various other administrative actions on behalf of the Issuer.

The Tokenizer has undertaken in the Arrangement and Tokenization Services Agreement to exercise the authorities granted to it by the Issuer in good faith, solely for the purposes for which they have been granted and in accordance with the Deed Poll (including the Conditions), the Security Deed and the other Transaction Documents, all applicable legislative and regulatory requirements and the terms and conditions of its own DABA licence. Such requirements may not prevent the Tokenizer from taking actions or making decisions which are favourable to its own interests and/or contrary to the interests of the Issuer or Holders.

Other than as described above, no other party has an interest in the issuance or offering of the Digital Bonds.

Reasons for the Offer and Use of Proceeds

The offer of the Digital Bonds uses blockchain native debt securities (securities issued on a distributed ledger or blockchain, represented by digital bond tokens), backed by and matching the economic terms of the Underlying T-bills, denominated and settled on-chain in stable cryptocurrency (USDC), to enable investors to earn a yield on their USDC holdings which is as near as possible equivalent to that of an investment in the Underlying T-bills.

The Digital Bonds are designed to provide investors with indirect exposure to the Underlying T-bills and to perform economically in a manner which is indistinguishable from direct ownership of such underlying T-bills in terms of credit risk, yield and maturity. The actual yield for investors will be dependent upon the Issue Price (for direct subscribers) or the price paid by the Holder upon any secondary market purchase of the Digital Bonds, as well as any DLT or other transaction fees payable by the investor to service providers in connection with transacting with the Issuer or the Bond Smart Contract.

Blockchain-native securities have several differences compared to a direct investment in the underlying securities in traditional form, such as certificated securities, uncertificated securities or book-entry securities. Blockchain-native securities are not cleared through off-chain clearing systems and involve limited transaction participants and intermediaries, thereby reducing transaction costs which are ultimately passed on to the investor and increasing the efficiency, accuracy and transparency of the issuance, holding, settlement and secondary trading processes, all of which take place on the public blockchain where they are verified, visible and immutable and functioning globally 24 hours per day, 7 days per week.

DLT-based securities may be held in an un-hosted non-custody wallet, to which the Holder has exclusive access, giving the Holder direct control over its holding.

The Issuer will use the net proceeds of the issuance of the Digital Bonds (after deducting the Issuance Fee and the Tokenization Services Fee) to (i) finance the purchase of the Underlying T-bills and (ii) pay the fees and costs of the various service providers in connection with creating, launching, issuing, redeeming, and providing all other services in connection with the Digital Bonds (solely to the extent that any such amounts are not funded or paid on the Issuer’s behalf by the Tokenizer).

Terms and Conditions of the Digital Bonds

The following terms and conditions (the "**Conditions**") are applicable to the up to USDC 25,000,000 zero coupon secured limited recourse rollable digital bonds due 4 February 2025, with the issue price (the "**Issue Price**") of 99.68647 per cent. of their principal amount (the "**Digital Bonds**") issued by Digital Bonds Ltd, a segregated accounts company incorporated in Bermuda under company number 202302760, with its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda, acting in respect of its segregated account designated as "**DB Series-11**" (the "**Issuer**").

The Digital Bonds are subject to, and have the benefit of:

(i) an electronically signed deed poll executed by the Issuer on 7 January 2025 (as amended, restated and/or supplemented from time to time, the "**Deed Poll**"), *inter alia*, constituting the Digital Bonds and providing for the Issuer's obligations under the Digital Bonds, including the Issuer's covenant to pay and incorporating these Conditions;

(ii) an arrangement and tokenization services agreement dated 7 January 2025 between the Issuer and PV01 Capital Markets Ltd. as arranger (the "**Arranger**") and as tokenizer (the "**Tokenizer**") (as amended, restated and/or supplemented from time to time, the "**Arrangement and Tokenization Services Agreement**"), pursuant to which, the Tokenizer undertakes, *inter alia*, to perform certain actions under the Conditions on behalf of the Issuer and to provide liquidity support to the Issuer in respect of its operational expenses and the fees and expenses payable to the service providers to the Issuer; and

(iii) certain other Transaction Documents relating to the Digital Bonds, details of which are set out in Schedule 1 (*Transaction Documents*) (the "**Transaction Documents**").

An ERC-20 smart contract created on the DLT implements the provisions of the Deed Poll (incorporating these Conditions) and has the functionalities set out in Condition 28) (*Bond Smart Contract Functionalities*) for, *inter alia*, the issuance and transfer of the Digital Bond Tokens on the DLT and the automated payment and redemption mechanisms of the Digital Bonds, and is deployed at the following DLT address:

https://etherscan.io/address/0x1A4cFD8fc52FF3F4e66B18f4d355ad6a5111f2e6

(the "**Bond Smart Contract**").

An ERC-4626 smart contract created on the DLT implements the provisions of the Deed Poll (incorporating these Conditions) related to the Automatic Rollover Subscription Option and the operation of the Bond Token Vault (each as defined in Condition 13) (*Automatic Rollover Subscription Option*) and has the functionalities set out in Condition 29) (*Bond Token Vault Smart Contract Functionalities*) for, *inter alia*, the minting, delivery, redemption, withdrawal and transfer of the Bond Token Receipts (as defined in Condition 13)c) (*Automatic Rollover Subscription Option – Bond Token Deposit*) on the DLT and is deployed at the following DLT address:

https://etherscan.io/token/0x526Be1c610616be0e8e69893fC6766FddfBaDA61

(the "**Bond Token Vault Smart Contract**").

Each of the Bond Smart Contract and the Bond Token Vault Smart Contract is subject to the Deed Poll, which is expressed to be governed by and interpreted in accordance with English law. In the event of any conflict between the provisions of the Deed Poll and the Bond Smart Contract or the Bond Token Vault Smart Contract, the provisions of the Deed Poll shall prevail.

Pursuant to a Security Deed dated 7 January 2025 (as amended, restated and/or supplemented from time to time, the "**Security Deed**") between the Issuer and Ankura Trust Company, LLC as security agent (the "**Security Agent**", which expression includes all persons for the time being acting as Security Agent appointed under the Security Deed from time to time in connection with the Digital Bonds), acting in its own name and on its own account and in the name and for the account of the holders of the Digital Bonds from time to time as their agent, the Digital Bonds will be secured by the Collateral (as defined in Condition 9) (*Custody and Collateral*)).

The Bond Smart Contract includes a URL to the web address where immutable signed originals of the Deed Poll (including these Conditions), the terms of which are incorporated thereby, the Security Deed and the Arrangement and Tokenization Services Agreement (together, the "**Available Documents**") are available for viewing, as the legal documents that describe the rights and obligations applicable to the Digital Bonds. The Bond Smart Contract also includes a reference to a hash (a unique and unrepeatable identifier) in respect of the Available Documents, enabling investors to verify at any time whether the Available Documents accessible via the URL included in the Bond Smart Contract have been modified. The Bond Token Vault Smart Contract includes instructions for Holders to access the Available Documents related to the current Vault Series from time to time. A link to the web address hosting the Available Documents is also accessible by Holders who have obtained the necessary credentials on the web-based platform developed and maintained by the Tokenizer on behalf of the Issuer at www.pv0.one. (the "**Pivio Platform**").

The Digital Bonds will be issued in bearer dematerialized form represented by the Ethereum Request-for-Comments #20 ("**ERC-20**") fungible digital bond tokens (the "**Digital Bond Tokens**") on the Ethereum blockchain (the "**distributed ledger technology**" or "**DLT**"). The aggregate principal amount of the Digital Bonds issued by the Issuer pursuant to the Deed Poll (including, for the avoidance of doubt, the Digital Bonds issued on the Issue Date and any Digital Bonds issued during an Additional Issuance Settlement Window in accordance with Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*) will not exceed USDC 25,000,000 (the "**Maximum Issue Amount**").

1) Interpretation

a) These Conditions are completed by the Bond Smart Contract, the Bond Token Vault Smart Contract and the detailed provisions of the Available Documents, and where applicable, must be read in conjunction with, the Available Documents. Capitalized terms used in these Conditions and not defined herein shall have the meanings set out in the Deed Poll, or if not defined therein, in the Security Deed.

b) The Digital Bonds are issued exclusively on the DLT in bearer dematerialized form, ownership of which is determined by reference to possession of a Digital Bond Token in accordance with these Conditions. In this regard, a Digital Bond Token is said to "represent" the Digital Bond (or relevant fraction thereof) as further set out in Condition 4) (*Title and Transfer*) such that the Digital Bond Tokens are intended to function as fully negotiable instruments of title. A Bond Token Receipt represents possession by the holder thereof of the number of Digital Bond Tokens for which it may be exchanged and thus ownership of the number of Digital Bonds represented by such Digital Bond Tokens.

c) In these Conditions:

i) any reference to a determination, discretion, information, communication, request, demand, authorization, direction, notice, calculation, consent, waiver, step or other action provided under these Conditions to be made, given, exercised or performed by the Issuer or (following the occurrence of a Realization Event, the Security Agent)

shall be deemed to be a reference to the Issuer or the Security Agent (as applicable) or the Tokenizer on behalf of the Issuer or the Security Agent making, giving, exercising or performing the same;

ii) any reference to the Security Agent providing its approval or consent or waiver or making a request or direction or determination; to a matter, item or a person being acceptable to, satisfactory to, or approved by or specified by the Security Agent; or to the Security Agent requiring certain steps or actions to be taken, or otherwise exercising any discretion or power, are, in each case, to be construed, as references to the Security Agent taking such action or refraining from so acting in accordance with the Holder Instructions;

iii) any reference to a person is to a legal person, and any reference to a person operating a digital wallet is a reference to such person having the ability to operate the digital wallet in accordance with Condition 4) (*Title and Transfer*);

iv) unless the context requires otherwise, reference to a Digital Bond, a Digital Bond Token or a Bond Token Receipt shall also be deemed to include reference to a fraction of it, and the terms "Holder" and "Receiptholder" (each as defined below in Condition 4) (*Title and Transfer*)) shall be construed accordingly;

v) any reference to an instrument, agreement or document shall, unless the context otherwise requires, be construed as reference to such instrument, agreement or document as the same may from time to time be amended, varied, supplemented or novated, in each case, in accordance with its terms;

vi) any reference to tax shall be construed so as to include any present and future tax, levy, impost, deduction, withholding, duty or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

vii) "**Brokerage and Custody Agreement**" means the brokerage and custody agreement consisting of the Terms of Business: Equity and Fixed Income Securities (June 2023) of StoneX Financial Ltd (as Broker and Custodian), including the Custody Schedule thereto, entered into between the Broker, the Custodian, Digital Bonds Ltd (acting in respect of its general account and each segregated account of Digital Bonds Ltd named in the schedule thereto, including the Issuer) on 26 March 2024, each as amended by agreement among the parties and as supplemented (in the case of the Issuer) by the Securities Account Control Agreement.

viii) "**Business Day**" means any day (other than Saturday or Sunday) on which commercial banks are open for general business in Bermuda, London and New York;

ix) "**Corporate Services Provider**" means Walkers Corporate (Bermuda) Limited in its capacity as corporate services provider to Digital Bonds Ltd and any successor thereto;

x) "**Force Majeure Event**" shall mean any circumstance not within a party's reasonable control including, without limitation, acts of God, flood, drought, earthquake or other natural disaster; epidemic or pandemic; terrorist attack, civil war, civil commotion or riots, war, threat of or preparation for war, armed conflict, imposition of sanctions, embargo, or breaking off of diplomatic relations; nuclear, chemical or biological contamination or sonic boom; any law or any action taken by a government or public authority, including without limitation imposing an export or import restriction, quota or prohibition, or failing to grant a necessary licence or consent;- collapse of buildings, fire, explosion or accident; any labour or trade dispute, strikes, industrial action or lockouts; non-performance by suppliers or subcontractors, interruption or failure of utility service or communications system, malware or ransomware attack;

xi) "**Government Authority**" means any nation, sovereign or government, any state, province, territory or other political subdivision thereof, and any entity or authority exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including a central bank or stock exchange;

xii) "**Holder Instructions**" has the meaning ascribed thereto in Condition 50) (*Holder Instructions*);

xiii) "**Issuer Fees and Expenses**" means all operational expenses of or attributable to the Issuer, including, without limitation, any taxes and governmental fees owing by the Issuer and all amounts due and payable in respect of the fees, costs, expenses and claims (including any indemnities) of the Service Providers, the Corporate Services Provider, the Share Trustee, the SAC Representative, the external legal advisers, auditors, banking and financial services providers and any other advisors or service providers to the Issuer, whether arising under the Transaction Documents or otherwise;

xiv) "**Law**" means, as to any Person on any date of determination, any domestic, foreign or other statute, law, rule, regulation, judgment, order (including judicial or executive), ordinance, code or rule of common law, decree, permit, concession, grant, franchise, license, agreement, directive, approval, filing, registration, requirement of, or other restriction imposed by, or any similar form of decision of or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, to the extent legally binding on such Person or its assets, or to which such Person or its assets is otherwise legally subject, on and as of such date of determination;

xv) "**On-Off Ramper**" means Coinbase, Inc. or any other service provider providing fiat-to-crypto and crypto-to-fiat conversion services to the Issuer from time to time;

xvi) "**Permitted Security**" means the security interests granted by the Issuer to the Security Agent (in its own name and on its own account and for the benefit of the Holders as their agent) pursuant to the Security Deed, the fixed charge granted by the Issuer in favour of the Broker and Custodian over the Collateral Accounts and all assets and cash held by the Custodian on the Issuer's behalf that are credited to each Collateral Account in accordance with the Brokerage and Custody Agreement as security for the fees and any other amounts (including any indemnities) due to the Broker and Custodian under the Brokerage and Custody Agreement, any custodial liens taken by a Sub-Custodian over any part of the Collateral and any other security interests arising in the ordinary course of banking arrangements for the purpose of netting debit or credit balances and granted as part of the relevant financial institution's standard terms and conditions;

xvii) "**SAC Representative**" means Continental Management Limited of Century House, 16 Par La Ville Road, Hamilton HMO8 Bermuda, in its capacity as segregated accounts representative of Digital Bonds Ltd in accordance with the Segregated Accounts Companies Act 2000 of Bermuda and any successor thereto;

xviii) "**Securities Account Control Agreement**" means the securities account control agreement entered into by and among Digital Bonds Ltd, acting in respect of its general account and each of its segregated accounts named therein (including the Issuer), the Security Agent and the Custodian dated 17 May 2024 and taking effect in respect of the Collateral Accounts of the Issuer on or about the date of the Security Deed;

xix) "**Service Providers**" means, together, the Arranger, the Tokenizer, the Broker, the Custodian, the On-Off Ramper, the Security Agent, any Paying Agent, each Wallet Provider and any successor of the foregoing service providers to the Issuer and "Service Provider" shall mean any one of them;

xx) "**Share Trustee**" means Hamilton Trust Company Limited of Wessex House, 5th Floor, 45 Reid Street, Hamilton HM 12, Bermuda in its capacity as share trustee of all of the issued and outstanding shares in the capital of Digital Bonds Ltd for the benefit of the PV01 Charitable Trust as successor to Zobec Trust Company Limited ("**Zobec**") pursuant to a declaration of trust entered into by Zobec on 21 August 2023;

xxi) "**U.S. Government Securities Business Day**" means a Business Day, except any Business Day on which any of the Securities Industry and Financial Markets Association, the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business because such day is a legal holiday under the federal laws of the United States or the laws of the State of New York, as applicable; and

xxii) **"Wallet Provider"** means Fireblocks or any other service provider providing digital wallet services to the Issuer from time to time (excluding, for the avoidance of doubt, the On-Off Ramper).

2) Type and Class of Securities

a) The Deed Poll (including these Conditions) constitutes the direct, secured, limited recourse obligations of the Issuer.

b) The Digital Bonds are the sole debt obligations of the Issuer and are neither insured nor guaranteed by any government or agency or by any other party (including, for the avoidance of doubt, the Arranger or the Tokenizer).

c) The Digital Bonds shall rank *pari passu* equally and rateably without discrimination or preference amongst themselves.

d) The Digital Bonds benefit from the security interest over the Collateral Accounts, including the U.S. government-issued treasury notes maturing on the Maturity Date (as defined in Condition 12) (*Redemption*)) under the ISIN US912797NF01 / CUSIP 912797NF0 and having on the Issue Date an aggregate USD principal amount equal to the aggregate USDC principal amount of the Digital Bonds (the "**Underlying T-bills**"), any cash standing to the credit of the Cash Collateral Account, together with the other security created under the Security Deed for the payment or discharge of the Secured Liabilities (as defined in the Security Deed). Recourse under the Digital Bonds from time to time and at any time is limited in accordance with Condition 40) (*Limited Recourse*).

e) The Digital Bonds do not confer any shareholders' rights in respect of the Issuer and thus exclude all rights of attendance, dividend payments, other participation rights or voting rights at any general assembly of the Issuer. The management of the Issuer is the sole responsibility of the board of directors of Digital Bonds Ltd.

f) The Digital Bonds do not confer any direct claims or ownership rights in respect of the Underlying T-bills, nor do they represent any participation in the Underlying T-bills nor confer any right to claim delivery of the Underlying T-bills nor to participate in any decisions affecting the Underlying T-bills.

g) The Digital Bonds do not bear any interest. No default interest or other amount shall be payable in respect of any amount due from the Issuer in respect of the Digital Bonds, payment of which is not made on the due date for such payment.

h) Where any payment, whether of principal or otherwise, is due in respect of the Digital Bonds on a day that is not a Business Day, payment shall take place on the next succeeding Business Day.

3) Form, Denomination

a) The Digital Bonds are issued exclusively on the DLT in bearer dematerialized form represented by the Digital Bond Tokens.

b) None of the Issuer, the Holders (as defined in Condition 4) (*Title and Transfer*), the Tokenizer, the Security Agent, the Custodian or any other person shall at any time have the right to effect or demand the conversion of the Digital Bonds into, or the delivery of, individually certificated securities, uncertificated securities or book-entry securities, whether in paper or electronic form.

c) The Digital Bonds are denominated in the stablecoin USD Coin ("**USDC**" or the "**Settlement Currency**") in the principal amount of USDC 1.00 per Digital Bond and the Digital Bond Tokens (which have a notional value of USDC 1.00 per Digital Bond Token) are freely transferable on the DLT in any USDC principal amount (up to 6 decimal places), subject to compliance with the applicable Transfer Restrictions (as defined in Paragraph 4 (*Transfer Restrictions*)) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) and provided that neither the digital wallet address of the transferor or of the transferee is included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)).

d) Payments under the Digital Bonds shall be made, in respect of each Digital Bond Token, in USDC by the Bond Smart Contract automatically (simultaneously upon submission by the Holder of a repayment claim) delivering USDC to the digital wallet address of such Holder (as defined in Condition 4) (*Title and Transfer*) to which such Digital Bond Token is credited, provided that such digital wallet address is recorded on the Digital Wallet Whitelist in accordance with Condition 5) (*Investor Screening*), except that payment may be made to one or more Holders (including all Holders) through an alternative settlement method on-chain, in a different crypto currency or off-chain in USD in the event of: (i) a Payment Claim Failure (as defined in Condition 21) (*Payment Claim Failure*)); (ii) a Depeg Event (as defined in Condition 34)a) (*Depeg Event)*); or (iii) a Realization Event (as defined in Condition 23) (*Realization Event*)). Receiptholders must make a Bond Token Withdrawal in accordance with Condition 13)e) (*Automatic Rollover Subscription Option - Bond Token Withdrawal*) to obtain the Digital Bond Tokens represented by Bond Token Receipts in order to receive any payment under the Digital Bonds.

4) Title and Transfer

a) Title to a Digital Bond (or a fraction thereof) shall be determined by possession of the Digital Bond Token (or fraction thereof) representing such Digital Bond (or fraction thereof) and accordingly, the Issuer, the Tokenizer and the Security Agent shall consider a person having possession of a Digital Bond Token in accordance with these Conditions as the holder (the "**Holder**") of the Digital Bond represented by such Digital Bond Token.

b) The Issuer, the Tokenizer and the Security Agent shall regard a person (which, for the avoidance of doubt, shall exclude at all times the Bond Token Vault and the Vault Owner) who at a given point in time can operate a digital wallet to which a Digital Bond Token is credited (using the private keys to such digital wallet) as a person having, at that time, possession of that Digital Bond Token.

c) **Receiptholders** A person who at a given point in time can operate a digital wallet to which a Bond Token Receipt (as defined in Condition 13)d) (*Automatic Rollover Subscription Option – Bond Token Receipts*) is credited (using the private keys to such digital wallet) shall be regarded as having possession of: (i) such Bond Token Receipt; and (ii) the number of Digital Bond Tokens in the Bond Token Vault for which such Bond Token Receipt may be exchanged at that time (and thereby ownership of the number of Digital Bonds represented by such number of Digital Bond Tokens in the Bond Token Vault at that time).

d) The Issuer, the Tokenizer and the Security Agent shall consider that the ability to so operate a digital wallet to which a Digital Bond Token or a Bond Token Receipt is credited is validly evidenced by the capability to:

i) in the case of a Digital Bond Token, make and authenticate a claim into the Bond Smart Contract for payment of any amount payable in respect of the Digital Bonds by executing the 'claim repayment' or equivalent function on the Pivio Platform or the Bond Smart Contract (effectively presenting a Digital Bond Token for payment), triggering the automatic burning of that Digital Bond Token by the Bond Smart Contract;

ii) in the case of a Bond Token Receipt, make and authenticate a withdrawal of Digital Bond Tokens from the Bond Token Vault via the Pivo Platform or the Bond Token Vault Smart Contract (effectively redeeming such Bond Token Receipt), triggering the automatic burning of that Bond Token Receipt by the Bond Token Vault Smart Contract; or

iii) sign any other transaction in that Digital Bond Token or Bond Token Receipt on the DLT using such digital wallet address, such as by transferring any USDC amount of Digital Bond Tokens or any amount of Bond Token Receipts to another digital wallet address, to the Bond Smart Contract or Bond Token Vault Smart Contract (as applicable) or to any other DLT address, thereby creating a public record of such transaction on the DLT.

e) If at any time more than one person potentially has the ability to possess a Digital Bond Token or a Bond Token Receipt (for example by the sharing, whether authorised or unauthorised, of relevant private key information), the Issuer, the Tokenizer and the Security Agent shall be entitled to consider the first person who validly evidences, in accordance with these Conditions, the ability to operate a digital wallet where that Digital Bond Token or Bond Token Receipt is credited as being in possession of that Digital Bond Token or Bond Token Receipt (and the number of Digital Bond Tokens in the Bond Token Vault for which such Bond Token Receipt may be exchanged) and therefore as the Holder of the Digital Bond represented by such Digital Bond Token or of the number of Digital Bonds represented by the number of Digital Bond Tokens for which such Bond Token Receipt may be exchanged at that time. For such purposes, the Security Agent shall be entitled to conclusively rely, without investigation or liability, upon the information provided to it by the Tokenizer, as to the identity of any such person.

f) The Issuer, the Tokenizer and the Security Agent shall be entitled to identify the digital wallet addresses to which the Digital Bond Tokens and the Bond Token Receipts are, or have been, credited from time to time by reference to the record of transactions in the Digital Bond Tokens and the Bond Token Receipts visible on the DLT through a block explorer and analytics platform such as Etherscan (as determined in its discretion, acting reasonably) and none of the Issuer, the Tokenizer or the Security Agent shall be liable for so doing.

g) Upon the occurrence of a Realization Event, the Tokenizer will exercise the Pausing Function (defined in Condition 28) (*Bond Smart Contract Functionalities*) in the Bond Smart Contract and the Vault Pausing Function (defined in Condition 29) (*Bond Token Vault Smart Contract Functionalities)* in the Bond Token Vault Smart Contract to prevent further transactions in the Digital Bond Tokens and the Bond Token Receipts. The Issuer (or the Tokenizer on its behalf) shall obtain and provide the information set out in Condition 5) (*Investor Screening*) to the Security Agent. The Security Agent shall be entitled to conclusively rely, without investigation and without liability, upon the information provided to it by the Tokenizer as evidence of the digital wallet addresses to which the Digital Bond Tokens and Bond Token Receipts are credited at any time.

h) Each person having possession of a Digital Bond Token in accordance with these Conditions (which, for the avoidance of doubt, shall exclude at all times the Bond Token Vault and the Vault Owner) shall (except as otherwise required by Law and without prejudice to Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*)) be treated as the absolute owner of the Digital Bond represented thereby for all purposes (regardless of any notice of ownership, trust or any other interest therein or any notice of any previous loss or theft of such Digital Bond Token) and none of the Issuer, the Tokenizer, the Security Agent or any other person shall be held liable for treating the person in possession of a Digital Bond Token as the Holder of the Digital Bond represented thereby.

i) Each person having, at any time, possession of a Bond Token Receipt in accordance with these Conditions (each, a "**Receiptholder**" and, together the "**Receiptholders**") shall (except as otherwise required by Law and without prejudice to Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*)) be treated as the absolute owner of such Bond Token Receipt and as having possession of the number of Digital Bond Tokens for which such Bond Token Receipt may be exchanged with the Bond Token Vault at that time (and as such shall be treated as the absolute owner of the number of Digital Bonds represented by such number of Digital Bond Tokens for all purposes), in each case, regardless of any notice of ownership, trust or any other interest therein or any notice of any previous loss or theft of such Bond Token Receipt and none of the Issuer, the Tokenizer, the Security Agent or any other person shall be held liable for treating the person in possession of a Bond Token Receipt as the Receiptholder of such Bond Token Receipt and as the Holder of such number of Digital Bonds.

j) Only the Receiptholder has the ability to effect any transaction in a Bond Token Receipt, including any transfer of such Bond Token Receipt and any Bond Token Withdrawal (as defined in Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*)). Neither the Vault Owner nor

the Issuer has the ability to effect any transactions in the Bond Token Receipts or the Digital Bond Tokens in the Bond Token Vault, other than the ability of the Vault Owner to execute the Rollover Function (as defined in Condition 29) (*Bond Token Vault Smart Contract Functionalities*)).

k) The transfer of a Digital Bond Token from one digital wallet address on the DLT which can be operated by a person (the "**Transferor**") to another digital wallet address on the DLT which can be operated by another person (the "**Transferee**") (in each case excluding at all times the Bond Token Vault and the Vault Owner), shall be deemed to be a definitive transfer of ownership of the Digital Bond represented by such Digital Bond Token and the relevant Transferee shall be deemed by the Issuer to have acquired full legal title over the associated Digital Bond, free of any defects in the title of the Transferor.

l) The transfer of a Bond Token Receipt from one digital wallet address on the DLT which can be operated by the Transferor to another digital wallet address on the DLT which can be operated by the Transferee, shall be deemed to be a definitive transfer of ownership of such Bond Token Receipt (and as such, of the number of Digital Bonds represented by the number of Digital Bond Tokens for which such Bond Token Receipt may be exchanged with the Bond Token Vault at that time), and the relevant Transferee shall be deemed by the Issuer to have acquired full legal title over such Bond Token Receipt and of the associated number of Digital Bonds, free of any defects in the title of the Transferor.

m) Ownership of a Digital Bond may only be validly transferred by a transfer of a Digital Bond Token or a Bond Token Receipt in accordance with these Conditions. Ownership of a Bond Token Receipt may only be validly transferred by a transfer of a Bond Token Receipt in accordance with these Conditions.

n) No further action, formality or document is required, nor is it necessary to provide any notice to the Issuer (or any other party) or for the Issuer (or any other party) to acknowledge any transfer of a Digital Bond Token or Bond Token Receipt.

o) None of the Issuer, the Tokenizer, the Security Agent or any other party shall be required at any time to produce or maintain a register of Holders of the Digital Bonds or of the Bond Token Receipts.

5) Investor Screening

a) Prior to making payment of any Funding Commitment (as defined in Condition 7)a)iv) (*Primary Issuance Process*) into the Bond Smart Contract to subscribe for Digital Bonds, and in order to be eligible to exercise any economic rights under the Digital Bonds (including receiving payment of any amounts due in respect of the Digital Bonds upon their maturity, early redemption or early termination or otherwise) (and at any other time as may be required by the Issuer or the Security Agent in accordance with these Conditions or for purposes of compliance with their internal policies and procedures), potential investors and/or Holders must first satisfactorily complete all know-your-client ("**KYC**"), anti-money laundering ("**AML**"), anti-terrorist financing and sanctions identification, verification and client categorization procedures as required by the Issuer or, following the occurrence of a Realization Event, the

Security Agent, each in its sole and absolute discretion, which procedures shall be conducted by the Tokenizer on behalf of the Issuer and the Security Agent (such procedures, together being referred to as "**Investor Screening**"). The Security Agent shall be entitled to rely, without liability, on the Investor Screening conducted by the Tokenizer.

b) Investor Screening is a verification of the eligibility of potential investors and/or Holders to invest in the Digital Bonds, including, without limitation, in accordance with the Transfer Restrictions (as defined in Condition 6)a) (*Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria*), provision of such certification or evidence of non-U.S. beneficial ownership as the Issuer or, following the occurrence of a Realization Event, the Security Agent may require and provision of such documents as may be required in order to verify the identity, source of wealth and source of funds of such potential investor or Holder and to confirm the potential investor or the Holder meets all other Eligibility Criteria (as defined in Paragraph 4 (*Eligibility Criteria*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)).

c) The Investor Screening process is completed through the interface of the Pivio Platform. Use of the Pivio Platform is governed by the platform terms of use accessible from the home page of the website, as updated by the Tokenizer from time to time (the "**Terms of Use**"). Holders who have acquired Digital Bond Tokens or Bond Token Receipts through secondary market transactions ("**Secondary Transferees**") should contact the Tokenizer via the Pivio Platform to complete Investor Screening prior to the Maturity Date (or any other payment date in respect of the Digital Bonds) and immediately upon the issuance by the Issuer of a Realization Event Notice in accordance with Condition 23) (*Realization Event*) to ensure that they are able to claim amounts payable directly through the Bond Smart Contract.

d) In order to enable the making of any payment under the Digital Bonds or any distribution of the Realization Proceeds, the Issuer (or the Tokenizer on its behalf) may need to process personal and financial information about the Holder and share such information as described in the Privacy Notice included in the Subscription Terms and at Schedule 3 (*Privacy Notice*) to these Conditions. To the extent a Holder's consent is required for the Issuer or the Tokenizer to process or share personal and financial information about such Holder in this way, the Issuer hereby requests each Holder's consent and each Holder's consent shall be deemed to have been given by virtue of such Holder acquiring any Digital Bonds. Each Holder shall be deemed to have acknowledged and agreed that the Issuer and the Tokenizer may disclose non-public personal information of the Holder to their respective affiliates, accountants, legal advisors and other service providers (including, without limitation, the Custodian, the Security Agent and any Paying Agent) as necessary to effect, administer and enforce the Issuer's and the Holders' rights and obligations in respect of the Digital Bonds. Nothing in this consent prohibits the sharing of information necessary for the Issuer or the Tokenizer to comply with any applicable laws or regulations or as otherwise permitted by law.

e) **Digital Wallet Whitelist** Upon successful completion of Investor Screening, the digital wallet address of the potential investor or the Holder will be added

to the list of pre-approved digital wallet addresses maintained by the Tokenizer on the Issuer's behalf (the "**Digital Wallet Whitelist**"). The Bond Smart Contract is programmed not to interact with any digital wallet address which is not included on the Digital Wallet Whitelist. ***Any attempt to make a payment into the Bond Smart Contract or to claim any payment from the Bond Smart Contract emanating from a digital wallet address which is not included on the Digital Wallet Whitelist will be automatically rejected by the Bond Smart Contract.***

f) If there are negative findings in connection with the Investor Screening procedures, or the potential investor or the Holder is unable to satisfactorily complete such procedures (as determined by the Issuer or, following the occurrence of a Realization Event, the Security Agent, each in its sole and absolute discretion) or any other material negative issues arise regarding the relevant issuance, redemption or payment transaction, the Issuer shall have the right to refuse to add such potential investor's or Holder's digital wallet address to the Digital Wallet Whitelist. In addition, the Issuer or the Security Agent (as applicable) may reject the issuance, redemption or payment transaction and the Issuer may determine to add the digital wallet address of the potential investor or Holder to the Digital Wallet Blacklist (defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), provided that none of the Issuer, the Tokenizer or the Security Agent shall be liable to any potential investor or Holder or any other person in respect of any loss suffered as a result thereof. The Security Agent shall be entitled at all times to rely without liability on the Digital Wallet Whitelist and the Digital Wallet Blacklist maintained by the Tokenizer.

g) Following the occurrence of a Realization Event, the Issuer (or the Tokenizer on its behalf) shall provide to the Security Agent sufficient information to enable the Security Agent to identify and contact each Holder, provided the Holder has completed Investor Screening, such information to include the person's name, email address, telephone number, physical address and digital wallet address and shall conduct Investor Screening on behalf of the Security Agent and any Paying Agent (on which the Security Agent and such Paying Agent shall be entitled to rely) in respect of any Holders which have not previously completed the Investor Screening process and which have contacted the Tokenizer to undergo Investor Screening.

6) Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria

a) Any transfer of Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts) is subject to the Deed Poll (incorporating these Conditions) and the underlying protocol of the DLT and requires the transfer of the Digital Bond Tokens or the Bond Token Receipts via the DLT.

b) **Selling Restrictions and Sanctions Restrictions** Transfers of the Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts) are restricted in accordance with:

i) the Selling Restrictions (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)); and

ii) the Sanctions Restrictions (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)),

(together, the "**Transfer Restrictions**").

c) **Eligibility Criteria** The Digital Bonds are not to be sold to any Person (and Digital Bond Tokens and Bond Token Receipts are not to be transferred to a digital wallet address associated with any Person) which does not meet the Eligibility Criteria for investment in the Digital Bonds as set out in Paragraph 4 (*Eligibility Criteria*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) (the "**Eligibility Criteria**").

d) **Holder Undertakings** Holders of the Digital Bonds are deemed to be aware of, to have read and understood, the Transfer Restrictions and by acquiring the Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts) are deemed to have agreed and undertaken to comply with the Selling Restrictions and the Sanctions Restrictions and to take all necessary steps to comply with the Eligibility Criteria (together, the "**Holder Undertakings**").

e) All Transferees of Digital Bonds, or any right or interest therein, (whether by receipt of Digital Bond Tokens or Bond Token Receipts) will receive and hold such Digital Bonds, right or interest subject to the Transfer Restrictions, the Holder Undertakings, the Holder Representations (as defined in Condition 6)i) below) and the Holder Acknowledgements (as defined in Condition 6)j) below).

f) **No Investor Screening on Secondary Transfers** The transferability of the Digital Bond Tokens and the Bond Token Receipts by Holders on the secondary market is not restricted by the Bond Smart Contract except as set out in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*). Digital Bond Tokens and Bond Token Receipts are freely transferable to any digital wallet address on the DLT (other than a digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), transfers to which will be automatically blocked by the Bond Smart Contract and the Bond Token Vault Smart Contract. **Other than for purposes of assessing whether to include Holders' digital wallet addresses on the Digital Wallet Whitelist to enable them to claim any payment in connection with the Digital Bonds, none of the Issuer, the Arranger, the Tokenizer or the Security Agent will conduct Investor Screening procedures in relation to secondary transferees of Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts).**

g) **Compliance with Sanctions Restrictions and Selling Restrictions** When conducting any secondary transfers of the Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts), Holders and

Transferees must perform appropriate checks, conduct their own due diligence and take such other steps as may be required to verify that:

i) the transferee to which the Holder proposes to sell Digital Bonds or the Holder from which the transferee proposes to acquire Digital Bonds is not a Sanctions Target (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*));

ii) the proposed transferee is not a U.S. Person (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) and is located outside of the United States; and

iii) the proposed transferee is a 'professional', 'qualified', 'institutional' or 'accredited' investor or 'eligible counterparty' (or equivalent, as defined under the laws of the transferee's home jurisdiction) and is not a 'retail investor' (or equivalent, as defined under the laws of the transferee's home jurisdiction) and is otherwise eligible to purchase the Digital Bonds in accordance with the Selling Restrictions set out in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) and all other securities laws applicable in the proposed transferee's home jurisdiction.

h) The Issuer reserves the right to update and/or impose further Transfer Restrictions and/or Eligibility Criteria from time to time at its sole discretion. Any modification to the Transfer Restrictions or the Eligibility Criteria will be promptly published or otherwise notified to the Holders by way of a Notice in accordance with Condition 39) (*Notices*). Holders shall be deemed to have reviewed, understood and accepted and shall be required to comply with the Transfer Restrictions and to take all necessary steps to comply with the Eligibility Criteria as so modified upon the publication of any such Notice.

i) **Holder Representations** Each Holder, by acquiring any Digital Bonds (whether by receiving Digital Bond Tokens or Bond Token Receipts), shall be deemed to make and give to each of the Issuer, the Arranger, the Tokenizer and the Security Agent:

i) at the time of its acquisition of such Digital Bonds; and

ii) at the time of submitting a claim for any payment under the Digital Bonds,

the representations, warranties and acknowledgements set out in Schedule 3 (*Holder Representations*) to these Conditions (the "**Holder Representations**").

j) **Holder Acknowledgements** Each Holder, by acquiring the Digital Bonds (whether by receiving Digital Bond Tokens or Bond Token Receipts, shall be deemed to acknowledge and agree that:

i) none of the Issuer, the Arranger, the Tokenizer or the Security Agent will conduct Investor Screening procedures on behalf of Holders in

relation to Secondary Transferees of Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts); and

ii) the Issuer may take any and all actions that the Issuer may determine, in its sole and absolute discretion and without liability to any Holder, to be necessary or appropriate to prevent (or to facilitate or support the prevention of) any or all transfers of the Digital Bonds in breach of this Condition 6) (*Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria*) or to enforce (or to facilitate or support the enforcement of) the Transfer Restrictions and Eligibility Criteria set forth herein, including but not limited to:

(1) requiring any Holder which has acquired Digital Bonds in breach of such Transfer Restrictions or the Eligibility Criteria to transfer such Digital Bonds to another eligible Person within 30 days of a request to do so from the Issuer (or the Tokenizer on its behalf) and in the event the Holder fails to do so:

(2) adding or maintaining the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist; or

(3) withholding any payment otherwise due under the Digital Bonds to such ineligible Holder,

(together, the "**Holder Acknowledgements**").

7) Primary Issuance Process

a) The practical steps involved in the primary issuance of the Digital Bonds on the Issue Date and during any Additional Issuance Settlement Window (as defined in Condition 7)f) (*Primary Issuance Process – Additional Issuance Settlement Windows*)) are as follows:

i) potential investors having successfully completed Investor Screening with the Tokenizer as described in Condition 5) (*Investor Screening*) and whose digital wallet addresses have been added to the Digital Wallet Whitelist may, through the Pivio Platform and in accordance with the platform's Terms of Use and Subscription Terms, confirm their interest in subscribing for Digital Bonds during the period communicated to potential investors via the Pivio Platform or otherwise in writing by the Tokenizer (the "**book-building period**"). Each potential investor may place an order to subscribe for Digital Bonds (each, a "**Subscription Order**") up to a specified maximum amount (a "**Maximum Order Amount**", and each potential investor having submitted an order to subscribe for Digital Bonds, which order has not been revoked by the end of the book-building period, a "**Committed Investor**");

ii) on the Issue Date only, the Tokenizer shall place a single Subscription Order on behalf of all Holders of digital bond tokens in the Bond Token Vault which are to be delivered to the Issuer in exchange for Digital Bond Tokens representing Digital Bonds pursuant to the exercise by such Holders of the Automatic Rollover Subscription Option in

accordance with Condition 13) (*Automatic Rollover Subscription Option*) (a "**Rollover Subscription Order**");

iii) any potential investor who has submitted an order for Digital Bonds during the book-building period may amend or revoke such order through the Pivio Platform or otherwise in writing to the Tokenizer at any time prior to the end of the book-building period, including following receipt of final pricing guidance, expected to be communicated to potential investors approximately 30 minutes prior to closing of the order book;

iv) at the time of pricing of the Digital Bonds (which shall take place shortly following closing of the order book, the "**Pricing Time**"), each Committed Investor is allotted Digital Bonds having a nominal value which may be equal to their Maximum Order Amount or such lower amount as determined by the Issuer in its discretion (which may be zero) (such amount, as notified by the Issuer to the Committed Investor on the Pivio Platform or otherwise in writing prior to the opening of the Issuance Settlement Window (as defined below), the Committed Investor's "**Allotted Amount**");

v) on the Issue Date only, Digital Bonds having a nominal principal amount which is equal to the amount of the Rollover Subscription Order are allotted for delivery into the Bond Token Vault;

vi) by placing an order to subscribe for Digital Bonds, each Committed Investor undertakes and, upon closing of the order book becomes legally obligated, to procure the delivery of an amount of USDC equal to the aggregate USDC issue price for such Committed Investor's Allotted Amount (such amount in USDC, the Committed Investor's "**Funding Commitment**").

(1) in the case of the primary issuance on the Issue Date, Funding Commitments shall be paid to the Issuer via the Bond Smart Contract through the Pivio Platform or by accessing the Bond Token Smart Contract at its address on the DLT during the period commencing at approximately 13:30 UTC on 7 January 2025 and ending at approximately 16:30 UTC on 7 January 2025 (the "**Issuance Settlement Cut-Off Time**") (such period, the "**Issuance Settlement Window**");

(2) the time at which any Additional Issuance Settlement Window shall open and the time at which such Additional Issuance Settlement Window shall close (each, an "**Additional Issuance Settlement Cut-Off Time**") shall be as communicated by the Tokenizer to Committed Investors via the Pivo Platform or otherwise in writing;

vii) on the Issue Date, a Funding Commitment in respect of the Automatic Rollover Subscription Order is created in the Bond Smart Contract, which Funding Commitment shall be settled in accordance with Condition 18) (*Rollover Settlement*) (which shall be read for these purposes as though references therein to the 'Rollover Bonds' referred

to the Digital Bonds, references to the 'Subsequent Issuer' referred to the Issuer and references to the 'Rollover Bonds Smart Contract' referred to the Bond Smart Contract);

viii) within 2 hours following the Pricing Time, the Issuer notifies Committed Investors of their Allotted Amounts and Funding Commitments and finalizes the Bond Smart Contract. A notice is posted by the Issuer on the Pivio Platform and sent to Committed Investors at their e-mail addresses (as provided to the Tokenizer during Investor Screening) confirming that the Bond Smart Contract has been activated and instructing Committed Investors to settle their bond purchases during the Issuance Settlement Window (or the Additional Issuance Settlement Window, as the case may be);

ix) following pricing of the Digital Bonds, the Issuer enters into a transaction with the Broker for the purchase of U.S. government-issued treasury notes ("**T-bills**") having a maturity date falling on the Maturity Date of the Digital Bonds (or if such date is not a U.S. Government Securities Business Day, on the immediately preceding U.S. Government Securities Business Day), in a USD principal amount equivalent to the aggregate USDC principal amount of the Digital Bonds to be issued, such transaction to settle after the Issuance Settlement Cut-Off Time or the Additional Issuance Settlement Cut-Off Time (each such time, a "**T-Bills Settlement Time**"). If, due to price movements, the Net USD Subscription Proceeds (defined below) are not sufficient for the Issuer to purchase a USD principal amount of T-bills equivalent to the USDC principal amount of the Digital Bonds to be issued (a "**T-bill Purchase Shortfall**"), the Tokenizer shall (in accordance with the Arrangement and Tokenization Services Agreement) provide any required funds to the Issuer to cover the amount of such T-bill Purchase Shortfall;

x) during the Issuance Settlement Window (or Additional Issuance Settlement Window, as the case may be), each Committed Investor must settle its Funding Commitment via the Pivio Platform or by accessing the Bond Smart Contract's address directly on the DLT;

xi) provided the digital wallet address of the Committed Investor is included on the Digital Wallet Whitelist and is not included on the Digital Wallet Blacklist or the Sanctions Blacklist, simultaneously ('atomically') upon each Committed Investor settling its Funding Commitment, the Bond Smart Contract automatically:

(1) procures the creation (or 'minting') and delivery of the Digital Bond Tokens representing the Digital Bonds for which such Committed Investor has subscribed to the Committed Investor's digital wallet; and

(2) transfers an amount in USDC equal to such Committed Investor's Funding Commitment from the digital wallet of the Committed Investor to the digital wallet of the Issuer with Fireblocks,

completing the issuance settlement process in respect of the Digital Bonds subscribed by such Committed Investor;

xii) upon occurrence of the Issuance Settlement Cut-Off Time (the date on which this occurs being referred to as the "**Issue Date**") or the Additional Issuance Settlement Cut-Off Time, as the case may be, from the total amount of USDC received by the Issuer in respect of the Funding Commitments paid by Committed Investors (the "**USDC Subscription Proceeds**"):

(1) in respect of Digital Bonds issued on the Issue Date:

(a) an amount in USDC representing 0.010699 per cent of the aggregate principal amount of the Digital Bonds in respect of the fee due from the Issuer to PV01 in its capacity as Arranger and Tokenizer (the "**Tokenization Services Fee**") is transferred from the Issuer's Fireblocks digital wallet to the digital wallet of PV01; and

(b) in respect of Digital Bonds issued on the Issue Date, an amount of USDC 100.00 representing the Issuer's fee in respect of the issuance of the Digital Bonds (the "**Issuance Fee**") is retained in the Issuer's Fireblocks digital wallet; and

(2) in respect of Digital Bonds issued during an Additional Issuance Settlement Window:

(a) an amount in USDC representing the Tokenization Services Fee in such amount as determined by the Tokenizer and communicated to Committed Investors upon pricing of such Digital Bonds is transferred from the Issuer's Fireblocks digital wallet to the digital wallet of PV01; and

(b) an Issuance Fee in such amount (which may be zero) as determined by the Tokenizer and communicated to Committed investors upon pricing of such Digital Bonds is retained in the Issuer's Fireblocks digital wallet;

xiii) at or before the T-bills Settlement Time:

(1) the Issuer shall procure that the remaining USDC Subscription Proceeds (the "**Net USDC Subscription Proceeds**") are transferred to the Issuer's digital wallet with the On-Off Ramper; and

(2) the Issuer shall procure that the Net USDC Subscription Proceeds in the Issuer's account with the On-Off Ramper are converted to USD and such USD proceeds (the "**Net USD Subscription Proceeds**") are then transferred to the Cash

Collateral Account (as defined in Condition 9) (*Custody and Collateral*));

(3) the Issuer shall submit a payment claim to the Issuer of the Maturing Bonds (the "**Preceding Issuer**") in respect of the digital bonds received by it pursuant to the settlement of the Rollover Subscription Option, which payment claim shall be settled by an off-chain payment in USD by the Preceding Issuer to the Cash Collateral Account, following which the digital bond tokens representing such digital bonds shall be sent to the Ethereum universal burn address, effecting their cancellation; and

xiv) at the T-Bills Settlement Time, the Broker shall debit an amount in USD representing the purchase price for the Underlying T-bills from the Cash Collateral Account, settle the pre-arranged purchase for the Underlying T-bills and any off-setting T-bills sale transaction and deliver the net amount of Underlying T-bills to the Securities Collateral Account (as defined in Condition 9) (*Custody and Collateral*) to be held as collateral for the Digital Bonds.

b) Steps (x) and (xi) in (a) above occur on an instantaneous or "atomic" delivery-versus-payment basis, thereby eliminating settlement risk for both investors and the Issuer.

c) If a Committed Investor fails to make payment of its Funding Commitment during the Issuance Settlement Window, that Committed Investor's subscription order may be cancelled by the Issuer. The Issuer will also retain the right to treat the Committed Investor's subscription order as valid and if the Issuer determines to exercise this right, the Issuer will contact the Committed Investor to arrange for an alternative method of settlement of the Committed Investor's subscription order.

d) In the event of cancellation of a subscription order, the amount of Digital Bonds to be issued and the principal amount of Underlying T-bills to be purchased will be reduced accordingly.

e) No interest or other amount shall be payable to any Committed Investor in respect of Digital Bonds in respect of which such Committed Investor has made payment of the related Funding Commitment and received Digital Bond Tokens prior to the Issuance Settlement Cut-Off Time (or Additional Issuance Settlement Cut-Off Time, as the case may be).

f) **Additional Issuance Settlement Windows**

i) The Issuer shall be at liberty, without the consent of the Holders, to create and issue Digital Bonds during one or more additional issuance settlement windows as determined by the Issuer, following the Issue Date and expiring at any time up until the Maturity Date (each, an "**Additional Issuance Settlement Window**"), provided that:

(1) no Realization Event, Early Redemption Event, Early Termination Event, Depeg Event or DLT Event has occurred in respect of the Digital Bonds;

(2) the amount of Digital Bonds proposed to be issued during such Additional Issuance Settlement Window will not cause the aggregate principal amount of the Digital Bonds outstanding to exceed the Maximum Issue Amount;

(3) each potential purchaser of such Digital Bonds has successfully completed Investor Screening with the Tokenizer as described in Condition 5) (*Investor Screening*) and the digital wallet address of each such purchaser has been added to the Digital Wallet Whitelist;

(4) the settlement of such Digital Bonds is executed in accordance with the settlement procedures prescribed in these Conditions for the Primary Issuance of the Digital Bonds (subject to such amendments to the timing for the opening and closing of the book-building period and the Pricing Time as communicated by the Tokenizer via the Pivio Platform or otherwise in writing);

(5) there exists, as of the proposed date of opening such Additional Issuance Settlement Window, no fact, event or circumstance which would render the information included in the Offering Memorandum inaccurate, incomplete or misleading in any material respect, or, in case any such fact, event or circumstance exists, the Issuer has made available to each potential purchaser of such Digital Bonds (on the Pivio Platform and/or at the Issuer's discretion, via e-mail to the address provided by such potential purchaser to the Tokenizer during Investor Screening), a supplemental offering memorandum (each, a "**Supplemental Offering Memorandum**") disclosing such fact, event or circumstance;

(6) each purchaser of such Digital Bonds has confirmed (via the Pivio Platform or otherwise in writing) that their purchase of such Digital Bonds is made pursuant to the Term Sheet, the Subscription Terms, the Offering Memorandum and any Supplemental Offering Memorandum and that the purchaser has read and accepted the terms of each of those documents;

(7) the Net USD Subscription Proceeds of such Digital Bonds are applied by the Issuer toward the purchase of Underlying T-bills having the same ISIN/CUSIP as the Underlying T-bills purchased on the Issue Date in an aggregate USD principal amount which is equal to the USDC nominal amount of such Digital Bonds, which Underlying T-bills are deposited by the Custodian directly to the Securities Collateral Account upon their receipt;

(8) the Issuer has delivered or procured the delivery by the Custodian to the Security Agent of a current statement of account in respect of the Collateral Accounts indicating the balance of the Underlying T-bills credited to the Securities Collateral Account following such deposit; and

(9) the Issuer has, prior to the opening of any Additional Issuance Settlement Window, delivered a Notice to the Holders in accordance with Condition 39) (*Notices*) and to the Security Agent informing them of the details of such Additional Issuance Settlement Window;

ii) Digital Bonds issued during any Additional Issuance Settlement Window shall be subject to and have the benefit of the Deed Poll (including these Conditions), the Security Deed and the Arrangement and Tokenization Services Agreement as though issued on the Issue Date and shall be the same in all respects as the Digital Bonds issued on the Issue Date, save for their issue date, their issue price and the amount of the Issuance Fee and the Tokenization Services Fee, so that such Digital Bonds shall, upon their issuance, be consolidated and fungible with the Digital Bonds issued on the Issue Date;

iii) References in the Deed Poll (including these Conditions) and the Available Documents to the Digital Bonds shall at all times include (unless the context requires otherwise) the Digital Bonds issued on the Issue Date and all Digital Bonds issued during an Additional Issuance Settlement Window pursuant to this Condition 7)f) (*Primary Issuance Process - Additional Issuance Settlement Windows*).

8) DLT Fees

a) Each transaction on the DLT (including, without limitation, a payment into the Bond Smart Contract, a Bond Token Deposit, a Bond Token Withdrawal, the transfer of any Digital Bond Tokens or Bond Token Receipts, USDC or other stablecoins, or the submission of a payment claim into the Bond Smart Contract) will incur a DLT transaction fee, which may be referred to as a 'gas fee', and which, in the case of the DLT is payable in Ether (the native cryptocurrency for the Ethereum blockchain) ("**ETH**") and deducted automatically from the digital wallet initiating the relevant transaction ("**DLT Fees**"). The amount of DLT Fees payable in relation to any transaction will vary with the gas prices on the DLT at the time of execution.

b) Unless expressly stated otherwise in these Conditions, all DLT Fees in connection with the DLT transactions initiated by potential investors or Holders in connection with the Digital Bonds (including any transactions involving Digital Bond Tokens or Bond Token Receipts) shall be for the account of the potential investor or Holder and all DLT Fees in connection with DLT transactions initiated by the Issuer or executed by the Bond Smart Contract or the Bond Token Vault Smart Contract shall be for the account of the Issuer.

9) Custody and Collateral

a) **Custody** The Underlying T-bills are registered in the name of Digital Bonds Ltd and held on behalf of the Issuer in a segregated custodial securities sub-account (the "**Securities Collateral Account**") and any related cash is held in the associated segregated cash sub-account (the "**Cash Collateral Account**" and, together with the Securities Collateral Account, the "**Collateral Accounts**"), each maintained in the name of the Issuer with StoneX Financial Ltd. (the "**Custodian**") with Bank of America Corporation (as to any cash held for the Issuer) and StoneX Correspondent Clearing, a division of StoneX Financial Inc. (as to any securities held for the Issuer) acting as sub-custodians (the "**Sub-Custodians**") in accordance with the Brokerage and Custody Agreement.

b) **Collateral** Pursuant to the Security Deed, as continuing security for the payment and discharge of the Issuer's obligations to the Holders of the Digital Bonds under the Deed Poll (including these Conditions) and the fees, expenses and any claims (including any indemnities) payable to the Security Agent pursuant to the Security Agent's Fee Letter and the Security Deed in connection with its role as Security Agent and any realization costs in respect of the Collateral (as defined below), the Issuer has granted, with full title guarantee, in favour of the Security Agent (in its own name and on its own account and for the benefit of the Holders as their agent), a fixed charge over all the Issuer's present and future right, title, interest and benefit in and to the Collateral Accounts, including all cash and Underlying T-bills credited thereto and the proceeds thereof (such assets together, the "**Collateral**"), which security is further supported by the Securities Account Control Agreement, which provides, *inter alia*, for the right of the Security Agent to seize control over the Collateral Accounts upon the occurrence of a Realization Event by issuing a Notice of Exclusive Control (as defined in the Securities Account Control Agreement) to the Custodian.

c) The security interest created over the Collateral under the Security Deed (the "**Security**") is only granted to the Security Agent for itself and for the benefit of the Holders and not to any other creditors of the Issuer.

d) By acquiring the Digital Bonds, each Holder, as a Committed Investor (as defined in Condition 7) (*Primary Issuance Process*) (for itself and any of its Transferees) appoints the Security Agent as its agent and each such Holder and each Transferee, by acquiring any Digital Bonds (whether by receiving Digital Bond Tokens or Bond Token Receipts), gives the Security Agent the instructions set out in Condition 50) (*Holder Instructions*), including, without limitation, the instructions set out therein to exercise its rights under the Deed Poll (including these Conditions) and the Security Deed upon the occurrence of a Realization Event (as defined in Condition 23) (*Realization Event*), including (where applicable) by declaring the Digital Bonds immediately due and payable in accordance with Condition 24) (*Enforcement)* and, where such Realization Event is continuing, by seizing the Collateral and instructing its liquidation to satisfy the Issuer's obligations toward the Holders under the Deed Poll and these Conditions). The Holders may only exercise their rights in respect of the Security under the Deed Poll, the Security Deed and these Conditions through the Security Agent.

e) The Security Agent shall not be required to take any action or incur any expense unless the Security Agent has been pre-funded and/or secured and/or indemnified to its satisfaction.

f) By transferring all Digital Bonds held by a Holder or if a person that was a Holder is no longer the Holder of any Digital Bonds, such person will cease to qualify as a Holder and to be a beneficiary under the Security Deed and as such, will no longer have any rights or claims thereunder in respect of the Collateral or otherwise.

g) Each Holder's claim that is created pursuant to the Security Deed is irrevocable on the part of the Issuer and subject to the compulsory redemption of the Digital Bonds upon a Realization Event (as defined in Condition 23) (*Realization Event*).

h) The Security Deed and any non-contractual rights and obligations arising thereunder or in connection therewith is governed by English law.

10) Issuer's Covenant

As set out in the Deed Poll, the Issuer undertakes to the Holders and the Security Agent that it shall duly, unconditionally and punctually pay and discharge all monies and liabilities whatsoever which from time to time become due, owing or payable by the Issuer under or in respect of the Digital Bonds and otherwise to perform and comply with the obligations expressed to be undertaken by it in these Conditions and each of the Available Documents.

11) Negative Covenants

a) The Issuer will not, in each case from and after the Issuance Settlement Cut-Off Time and until the earlier of an Early Termination Date, an Early Redemption Date, the Maturity Date or a Depeg Settlement Date;

   i) amend these Conditions or the Available Documents other than as permitted herein or therein;

   ii) act contrary to the terms of the Deed Poll (including these Conditions) or the other Transaction Documents;

   iii) act in any way contrary to the conditions of or which would otherwise constitute a breach of the terms of the class 'T' licence issued to it by the Bermuda Markets Authority to operate a digital asset business pursuant to the Digital Asset Business Act 2018 of Bermuda;

   iv) withdraw, sell, assign, transfer, exchange, part with possession of or otherwise dispose of in any manner (or purport to do so), or pledge, mortgage, hypothecate or otherwise encumber (or permit such to occur or suffer such to exist) all or any part of or any interest in, the Collateral or enter into an agreement or commitment to do so, or enter into or engage in any business with respect to any part of the Collateral, except for any Permitted Security or as otherwise expressly permitted under the Deed Poll (including these Conditions) and the Security Deed;

v) terminate the Securities Account Control Agreement unless:

(1) the assets held in the Collateral Accounts have been transferred into replacement collateral accounts with a successor custodian;

(2) the Issuer and the Security Agent have entered into an amended and restated security deed whereby the Issuer grants security over such replacement collateral accounts on the same terms as the Security granted under the Security Deed; and

(3) an account control agreement has been entered into among the Issuer, the Security Agent and the successor custodian in relation to the replacement collateral accounts on substantially the same terms as the Securities Account Control Agreement;

vi) claim any credit on, make any deduction from, or dispute the enforceability of payment of the principal (or any other amount) payable in respect of the Digital Bonds (other than amounts withheld or deducted in accordance with any applicable laws of Bermuda or other applicable jurisdiction) or assert any claim against any present or future Holder, by reason of the payment of any taxes levied or assessed upon any part of the Collateral except as otherwise permitted under the Deed Poll (including these Conditions);

vii)

(1) incur, assume or guarantee any indebtedness, other than the Digital Bonds, the Deed Poll, these Conditions and the transactions contemplated hereby; or

(2) issue (1) any additional class of securities or (2) any additional shares;

viii)

(1) permit the validity or effectiveness of the Deed Poll to be impaired, or permit the terms of any security granted pursuant to the Security Deed to be amended, hypothecated, subordinated, terminated or discharged, or permit any person to be released from any covenants or obligations with respect to the Deed Poll, the Security Deed or the Digital Bonds except as may be permitted by the Deed Poll (including these Conditions);

(2) except as permitted by the Deed Poll (including these Conditions), create or grant (or purport to create or grant) or permit any lien, charge, adverse claim, security interest, mortgage or other encumbrance (other than the security under the Security Deed) to be created on or extend to or otherwise arise upon or burden any part of the Collateral, any interest therein or the proceeds thereof or any other of its assets, revenues or rights;

(3) sell, transfer, exchange or otherwise dispose of the Collateral or any other property or assets of the Issuer, except as otherwise contemplated by, or in furtherance of its performance of its obligations under, the Deed Poll (including these Conditions) or the Transaction Documents; or

(4) except as permitted by the Deed Poll (including these Conditions) or the Security Deed, take any action that renders the security interests created by the Security Deed invalid or of lesser priority than that specified in the Security Deed;

ix) amend, or permit the amendment of, its Memorandum and Bye-laws without the consent of the Tokenizer;

x) dissolve or liquidate in whole or in part, except as permitted under the Deed Poll (including these Conditions) or as required by applicable law;

xi) permit the formation of any subsidiaries;

xii) conduct business under any name other than its own;

xiii) have any employees (other than directors or managers to the extent they are employees); or

xiv) consolidate or merge with or into any other person or entity or transfer or convey all or substantially all of its assets to any other person or entity.

b) **No Other Business** The Issuer shall not have any employees (other than directors or managers to the extent they are employees) and shall not engage in any business or activity other than issuing, paying and redeeming the Digital Bonds issued by it pursuant to the Deed Poll (including these Conditions), acquiring and redeeming Maturing Bonds in connection with a Rollover Settlement, acquiring, holding, selling, and redeeming USDC or any Replacement Settlement Currency (as defined in Condition 34) (*Depeg Event*)), USD, the Underlying T-bills and its relevant rights in relation thereto, performing its obligations under the Transaction Documents and other incidental activities.

c) **Limited Recourse and Non-Petition** The Transaction Documents shall all include customary "non-petition" and "limited recourse" provisions in respect of the Issuer's obligations therein (and the Issuer shall not agree to amend or eliminate such provisions in any such agreement).

12) Redemption

a) **Scheduled Redemption**

i) Unless previously redeemed or terminated and cancelled, the Digital Bonds will be redeemed in full at their Final Payout Amount during the period commencing upon the issuance by the Issuer of a notice to the Holders on 4 February 2025 (the "**Maturity Date**") and ending at

24:00 UTC on 4 March 2025 (the "**Scheduled Redemption Payment Window**"), subject as provided in Condition 17) (*Settlement*).

ii) Other than following the occurrence of a Realization Event (as defined in Condition 23) (*Realization Event*) and subject always to the provisions of Condition 24) (*Enforcement*), Holders of the Digital Bonds do not have the right to require the Issuer to redeem the Digital Bonds at any time prior to the Maturity Date, in any event in accordance with these Conditions.

b) **Early Termination – Issuer Call**

i) If, at any time prior to the Maturity Date or the redemption of the Digital Bonds or the occurrence of a Realization Event, an event occurs which, in the sole discretion of the Issuer, requires a discontinuation of the Digital Bonds (a "**Termination Event**"), the Issuer shall have the right to terminate and redeem the Digital Bonds, in whole, but not in part (the "**Issuer Call**") on a date of its choice (the "**Early Termination Date**"), by notifying the Holders in accordance with Condition 39) (*Notices*) no later than 2 Business Days prior to the Early Termination Date (provided there are at least 2 Business Days remaining prior to the Maturity Date, or such shorter period as the Issuer shall determine, if not), which notice shall be irrevocable (an "**Early Termination Notice**").

ii) The Issuer Call may be exercised in any circumstances which the Issuer in its sole discretion determines require a discontinuation of the Digital Bonds, including, without limitation, upon the occurrence of any of the following events, each of which shall constitute a Termination Event:

(1) where the Issuer has determined that compliance by the Issuer with its obligations under the Digital Bonds or any transaction in respect of the Underlying T-bills will become unlawful, impossible or unduly onerous in whole or in part, including, without limitation, as a result of compliance by the Issuer with any future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power or controlling authority or of any other competent market authority;

(2) where the Issuer has determined in accordance with Condition 45) (*Modifications; Updating of Documents*) that a modification to the Deed Poll and/or these Conditions is required which, the Issuer, in its sole discretion considers may be materially prejudicial to the interests of the Holders;

(3) any failure or anticipated failure by the U.S. government to make full and timely payment of its debt obligations generally and/or under the Underlying T-bills;

(4) due to actual or predicted increased costs to the Issuer of maintaining the Digital Bonds outstanding, such as the costs of maintaining the custody or security arrangements in respect of the Underlying T-bills, maintaining the existence of the Digital Bond Tokens, the Bond Token Vault or the Bond Token Receipts or effecting redemption of the Digital Bonds;

(5) in the event a major service provider to the Issuer such as, but not limited to, the Tokenizer, the Broker, the Custodian, the On-Off Ramper or the Security Agent, terminates its appointment, ceases operations or otherwise stops providing some or all its services such that the Issuer is prevented from maintaining the Digital Bonds, the Digital Bond Tokens, the Bond Token Vault, the Bond Token Receipts and/or the Collateral or from performing its obligations under the Digital Bonds and/or the Transaction Documents and the Issuer is not able to replace such Service Provider at a reasonable cost and within a reasonable period of time;

(6) upon the occurrence of a Force Majeure Event affecting the Issuer or any of the Service Providers; or

(7) if the Issuer infers that technological and/or operational risks related to the DLT have significantly increased.

iii) Upon any early termination of the Digital Bonds due to the exercise by the Issuer of the Issuer Call, the Digital Bonds will be subject to redemption in full at their Early Termination Amount (as defined below) on the Early Termination Date in accordance with the procedures set forth in Condition 17) (*Settlement*).

iv) If the Issuer delivers an Early Termination Notice, the Automatic Rollover Subscription Option shall not be available and Holders of Bond Token Receipts will be required to withdraw the Digital Bond Tokens from the Bond Token Vault in order to submit a claim for payment of the Early Termination Amount in respect of the Digital Bonds represented thereby.

v) Neither the Issuer nor the Tokenizer shall be liable to the Holders or to any other party in respect of any losses suffered as a result of any decision taken (or not taken) to exercise the Issuer Call, including, without limitation, with respect to the timing of any such decision.

vi) For purposes of these Conditions,

"**Early Termination Amount**" shall mean the amount in USDC payable in respect of each Digital Bond upon any early termination by the Issuer, which shall be equal to the Amortised Face Amount of such Digital Bond, where:

"**Amortised Face Amount**", in respect of each Digital Bond, means such amount, as calculated by the Tokenizer on behalf of the Issuer, as being equal to the sum of:

(1) the Reference Price; and

(2) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the Early Termination Date or Early Redemption Date (as applicable) of such Digital Bond, where:

(a) "**Reference Price**" means 99.68647 per cent.; and

(b) "**Accrual Yield**" means 4.10 per cent. (act/act).

c) **Early Redemption – Tax Event**

i) The Digital Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on a date of its choice (the "**Early Redemption Date**"), by notifying the Holders in accordance with Condition 39) (*Notices*) no later than 10 Business Days prior to the Early Redemption Date (provided there are at least 10 Business Days remaining prior to the Maturity Date, or such shorter period as the Issuer shall determine, if not), which notice shall be irrevocable (an "**Early Redemption Notice**") if the Issuer, in its sole discretion, determines that:

(1) any present or future taxes, duties, assessments or governmental charges would be imposed by any jurisdiction in which the Issuer is or becomes subject to tax as a result of any change in or amendment to the laws or regulations of Bermuda, the United Kingdom or any other relevant jurisdiction (or any political subdivision or any authority thereof or therein having the power to tax) or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date; and

(2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(a "**Tax Event**").

ii) Upon any early redemption of the Digital Bonds due to the occurrence of a Tax Event, the Digital Bonds will be subject to redemption in full at their Early Redemption Amount (as defined below) on the Early Redemption Date in accordance with the procedures set forth in Condition 17) (*Settlement*).

iii) If the Issuer delivers an Early Redemption Notice, the Automatic Rollover Subscription Option shall not be available and Holders of Bond Token Receipts will be required to withdraw the Digital Bond Tokens from the Bond Token Vault in order to submit a claim for payment of

the Early Redemption Amount in respect of the Digital Bonds represented thereby.

iv) **Early Redemption Amount** "**Early Redemption Amount**" shall mean the amount in USDC payable in respect of each Digital Bond upon any early redemption by the Issuer, which shall be equal to the Amortised Face Amount (as defined in Condition 12)b)vi) (*Redemption – Early Termination – Issuer Call -Early Termination Amount*) above) of such Digital Bond.

d) **Partial Early Redemption**

i) The Issuer shall be at liberty, at its sole discretion and without the consent of the Holders, at any time following the Issue Date up until the Maturity Date, upon the request of a Holder of the Digital Bonds (such request to be in such form and delivered in such manner as may be required by the Tokenizer) to redeem such principal amount of the Digital Bonds held by such Holder (the "**Redeeming Holder**") as may be agreed between the Issuer and the Redeeming Holder (the "**Partial Redemption Principal Amount**") at their Partial Early Redemption Amount, on such date (the "**Partial Early Redemption Settlement Date**") as may be agreed between the Issuer and such Holder (a "**Partial Early Redemption**"), provided that:

(1) no Realization Event, Early Redemption Event, Early Termination Event, Depeg Event or DLT Event has occurred in respect of the Digital Bonds;

(2) the aggregate principal amount of Digital Bonds proposed to be redeemed on such Partial Early Redemption Settlement Date is no less than USDC 500,000;

(3) the Redeeming Holder has successfully completed Investor Screening with the Tokenizer as described in Condition 5) (*Investor Screening*) and the digital wallet address of such Redeeming Holder has been added to the Digital Wallet Whitelist;

(4) the settlement of such Partial Early Redemption is executed in accordance with the settlement procedures prescribed in Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*);

(5) the Issuer shall procure the delivery to the Security Agent of a current statement of account in respect of the Collateral Accounts indicating the balance of the Underlying T-bills credited to the Securities Collateral Account following such Partial Early Redemption; and

(6) following any such Partial Early Redemption, the Issuer shall deliver a Notice to the Holders in accordance with Condition 39) (*Notices*) and to the Security Agent informing them of the details of such Partial Early Redemption, including:

(a) the USDC principal amount of the Digital Bonds which have been redeemed;
(b) the USD principal amount of Underlying T-bills which have been liquidated in connection with such Partial Early Redemption;
(c) the USDC principal amount of Digital Bond Tokens which have been sent by the Issuer to the Ethereum universal burn address;
(d) the outstanding principal amount of the Digital Bonds following such Partial Early Redemption; and
(e) the balance of the Underlying T-bills credited to the Securities Collateral Account following such Partial Early Redemption.

13) Automatic Rollover Subscription Option

a) **Automatic Rollover Subscription Option** Each Holder of Digital Bonds shall have the option to instruct an automatic reinvestment or "rollover" of the Final Payout Amount payable in respect of such Digital Bonds towards a subscription for digital bonds of a new Series to be issued on the Maturity Date and having the characteristics set out in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*), by way of an exchange of the Digital Bond Tokens representing such Digital Bonds for Digital Bond Tokens representing digital bonds of the new Series (the "**Automatic Rollover Subscription Option**").

b) **Bond Token Vault**

i) The Automatic Rollover Subscription Option is exercised through the mechanism of a bond token vault (the "**Bond Token Vault**") administered by the Bond Token Vault Smart Contract, with the Tokenizer as vault owner (the "**Vault Owner**");

ii) The Bond Token Vault Smart Contract is programmed to allow Holders to make deposits and withdrawals to and from the Bond Token Vault of Digital Bond Tokens representing Digital Bonds of the designated Series which is the current "asset" managed by the Bond Token Vault (such designated Series at any time being referred to as the "**Vault Series**");

iii) the Bond Token Vault is programmed to only manage transactions in the Digital Bond Tokens representing Digital Bonds of the Vault Series at any time.

c) **Bond Token Deposit**

i) a Holder may deposit Digital Bond Tokens in any USDC principal amount (up to 6 decimal places) into the Bond Token Vault by submitting a request to the Bond Token Vault Smart Contract (using the 'mint' or 'deposit' function via the Pivio Platform or by accessing the Bond Token Vault Smart Contract on the DLT), (each such deposit, a "**Bond Token Deposit**");

ii) upon a Holder making a Bond Token Deposit, Digital Bond Tokens are delivered from the digital wallet address of the Holder to the Bond Token Vault, in exchange for which the Bond Token Vault will simultaneously calculate, mint and deliver to the digital wallet address of such Holder a number of bond token 'receipts' in the form of ERC-4626 fungible tokens (each, a "**Bond Token Receipt**");

iii) the number of Bond Token Receipts which will be received by a Holder in exchange for a Digital Bond Token of the current Vault Series upon making a Bond Token Deposit at any time shall be approximately equal to the result of the following calculation at that time: **(*total number of Bond Token Receipts outstanding*) divided by / (*total number of Digital Bond Tokens in the Bond Token Vault*) multiplied by (*number of Digital Bond Tokens deposited*)**;

d) **Bond Token Receipts**

i) the Bond Token Receipts can be transferred (subject to the same transfer and selling restrictions as are applicable to the Digital Bonds) on the DLT in any amount (up to 6 decimal places).

ii) each Bond Token Receipt evidences, at any time:

(1) the Receiptholder's entitlement to a percentage or "share" of the Digital Bond Tokens in the Bond Token Vault at that time (each, a "**Share**"), which Share, expressed as a percentage of the total number of Digital Bond Tokens in the Bond Token Vault can be determined at any time by performing the following calculation: ***(one) (1) / divided by (the total number of Bond Token Receipts outstanding) = Share of Bond Tokens in Bond Token Vault represented by 1 Bond Token Receipt***;

A Receiptholder may calculate its aggregate Share of the Digital Bond Tokens in the Bond Token Vault at any time (the Holder's "**Aggregate Share**") by performing the following calculation: (***total number of Bond Token Receipts held by the Receiptholder) / divided by (the total number of Bond Token Receipts outstanding at such time) = Holder's Aggregate Share***);

(2) the Receiptholder's right to receive from the Bond Token Vault, in exchange for such Bond Token Receipt, the number of Digital Bond Tokens representing Digital Bonds of the Vault Series to which such Bond Token Receipt entitles the Receiptholder at that time, by making a Bond Token Withdrawal in accordance with Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*) below;

(3) the Receiptholder's ownership of such number of Digital Bonds of the Vault Series as are represented by the number of Digital Bond Tokens which may be exchanged with the

Bond Token Vault for such Bond Token Receipt at that time, which number is approximately equal to the result of the following calculation at any time: ***(total number of Bond Tokens in the Bond Token Vault) / divided by (the total number of Bond Token Receipts outstanding) = number of Digital Bond Tokens exchangeable for each Bond Token Receipt***; and

(4) provided the Receiptholder has not withdrawn such Digital Bond Tokens before the Rollover Cut-Off Time, the Receiptholder's instructions (subject at all times to these Conditions) and entitlement for such Digital Bond Tokens to be exchanged for Digital Bond Tokens representing Rollover Bonds (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*)) on the Maturity Date of the Digital Bonds represented thereby.

e) **Bond Token Withdrawal**

i) a Receiptholder may make a Bond Token Withdrawal of Digital Bond Tokens from the Bond Token Vault in any USDC principal amount (up to 6 decimal places) by submitting a request to the Bond Token Vault Smart Contract (using the 'withdraw' or 'redeem' function via the Pivio Platform or by accessing the Bond Token Vault's Smart Contract address on the DLT), (each such withdrawal, a "**Bond Token Withdrawal**");

ii) upon a Receiptholder making a Bond Token Withdrawal, the Bond Token Receipts of the Receiptholder will automatically be sent from the digital wallet address of the Receiptholder to the Ethereum universal burn address, in exchange for which the Bond Token Vault will simultaneously (atomically) calculate and deliver to the digital wallet address of such Receiptholder, a number of Digital Bond Tokens;

iii) the number of Digital Bond Tokens representing Digital Bonds of the Vault Series which will be received by a Receiptholder in exchange for a Bond Token Receipt upon making a Bond Token Withdrawal at any time shall be approximately equal to the result of the following calculation at that time: ***(number of Bond Token Receipts deposited by the Receiptholder) / divided by (total number of Bond Token Receipts outstanding) multiplied by (total number of Digital Bond Tokens in the Bond Token Vault)***.

f) **Transaction Previews**

i) For purposes of performing any calculation relating to a Bond Token Deposit or Bond Token Withdrawal, the total number of Digital Bond Tokens (or "assets") in the Bond Token Vault and the total number of Bond Token Receipts (or "shares") outstanding at any time are visible on the DLT by accessing the Bond Token Vault Smart Contract's address on a block explorer platform such as Etherscan.

ii) In addition, a Receiptholder may, at any time, submit a request to the Bond Token Vault Smart Contract for a preview of:

(1) the number of Bond Token Receipts that would be delivered by the Bond Token Vault in exchange for the deposit of a specified number of Digital Bond Tokens;

(2) the number of Digital Bond Tokens the Receiptholder would be required to deposit to the Bond Token Vault in order to receive a specified number of Bond Token Receipts;

(3) the number of Digital Bond Tokens that would be delivered by the Bond Token Vault in exchange for redeeming a specified number of Bond Token Receipts; or

(4) the number of Bond Token Receipts the Receiptholder would be required to redeem in order to receive a specified number of Digital Bond Tokens from the Bond Token Vault,

in each case, at any time by accessing the Bond Token Vault Smart Contract's DLT address on a block explorer platform such as Etherscan.

g) **Exercise of Automatic Rollover Subscription Option**

i) a Holder wishing to exercise the Automatic Rollover Subscription Option may make a Bond Token Deposit at any time up to 12:30 UTC on the Maturity Date of the Digital Bonds of the Vault Series or such later time at which the book-building period for the Rollover Bonds closes on their Issue Date as notified by the Tokenizer via the Pivio Platform (the "**Rollover Cut-Off Time**");

ii) by depositing Digital Bond Tokens into the Bond Token Vault, the Holder shall be deemed to authorize and instruct the Tokenizer to execute, on the Maturity Date of the Digital Bonds represented by such Digital Bond Tokens, a reinvestment of the Final Payout Amount payable in respect of such Digital Bonds towards a subscription for Rollover Bonds (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*)) by way of the delivery of such Digital Bond Tokens, together with all other Digital Bond Tokens in the Bond Token Vault as of the Rollover Cut-Off Time, to a Subsequent Issuer (as defined in Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*) in exchange for the delivery by such Subsequent Issuer to the Bond Token Vault of a number of digital bond tokens representing Rollover Bonds (each such exchange, a "**Rollover**"), all in accordance with the procedures set out in Condition 18) (*Rollover Settlement*).

iii) if a Receiptholder does not wish the Digital Bonds held by it which are represented by Digital Bond Tokens in the Bond Token Vault to be exchanged for Rollover Bonds, the Receiptholder must withdraw such Digital Bond Tokens from the Bond Token Vault by making a Bond Token Withdrawal by no later than the Rollover Cut-Off Time;

iv) a Holder of Digital Bonds may make a Bond Token Deposit of all or any part of the Digital Bond Tokens held by it or a Receiptholder may make a Bond Token Withdrawal of all or any part of the Digital Bond Tokens represented by the Bond Token Receipts held by it at any time up to the Rollover Cut-Off Time;

v) Digital Bond Tokens remaining in the Bond Token Vault as of the Rollover Cut-Off Time for each Series will be continuously and automatically exchanged on their Maturity Date for Digital Bond Tokens representing Rollover Bonds of the next Series, in accordance with Condition 18) (*Rollover Settlement*), without any action on the part of the Receiptholders, unless and until such Digital Bond Tokens are withdrawn from the Bond Token Vault or the Automatic Rollover Subscription Option is terminated in accordance with Condition 14) (*Termination of Automatic Rollover Subscription Option*).

h) **Rollover Bonds**

i) the digital bonds for which Digital Bond Tokens in the Bond Token Vault will be exchanged upon each Rollover Settlement (the "**Rollover Bonds**") shall have the following characteristics:

(1) the Rollover Bonds shall be of a series of Digital Bonds (each, a "**Series**") issued on or about the Maturity Date of the current Vault Series;

(2) the Rollover Bonds shall be issued by another segregated account of Digital Bonds Ltd (each, a "**Subsequent Issuer**");

(3) the Rollover Bonds shall have, as near as possible (depending upon the availability of U.S. government-issued treasury bills with the corresponding maturity date), the same duration as the current Vault Series (such that if the Vault Series has a 4-week duration, the Rollover Bonds will also have a 4-week duration);

(4) the Rollover Bonds shall be collateralized by U.S. government-issued treasury notes having an aggregate USD principal amount equal to the aggregate USDC principal amount of the Rollover Bonds as of their Issue Date and maturing on the Maturity Date of the Rollover Bonds;

(5) the Rollover Bonds will be subject to the same Bond Conditions as the Digital Bonds of the current Vault Series, other than:

(a) the segregated account of Digital Bonds Ltd acting as the Issuer;
(b) the Issue Price;
(c) the Issue Date;
(d) the Maximum Issue Amount;
(e) the Maturity Date;
(f) the Bond Smart Contract address;

(g) the ISIN/CUSIP of the Underlying T-bills;
(h) the Reference Price;
(i) the Accrual Yield;
(j) the Tokenization Services Fee; and
(k) such other changes as the Subsequent Issuer may determine in its sole discretion to be:

1. required for the purpose of correcting a manifest error, clarifying any uncertainty, or correcting or supplementing the provisions in such a manner as the Subsequent Issuer may in its discretion deem necessary or desirable, provided that, in the Subsequent Issuer's sole opinion, acting in a commercially reasonable manner, such changes are not materially prejudicial to the interests of the Holders. The Subsequent Issuer shall not be required to consider the interests of individual Holders when making any determination as to whether any such changes are materially prejudicial but will consider the interests of the Holders taken as a whole. Neither the Issuer nor the Subsequent Issuer shall be liable to any Holder in respect of the consequences of any such modifications; or

2. necessitated as a consequence of changes in law, including, without limitation any legislation and/or regulation, a judicial determination or judgment or a decision or rule of any regulatory authority, in each case applicable to the Issuer, the Service Providers, the Digital Bonds, the Bond Token Vault, the Bond Token Receipts and/or the Holders and which are not materially prejudicial to the interests of the Holders.

ii) each Series of Rollover Bonds shall the subject of a deed poll (each, a "**Rollover Deed Poll**"), which, together with the Offering Memorandum for such Series of Rollover Bonds, will be available for viewing by Holders who have successfully conducted Investor Screening on the Pivio Platform and via a link included in the Rollover Bonds Smart Contract;

iii) each of the Rollover Bonds Smart Contract and the Bond Vault Smart Contract shall be subject to and shall incorporate by reference the Rollover Deed Poll for the Vault Series. The Bond Token Vault Smart Contract shall be updated upon each Rollover to include instructions for Receiptholders to access the Rollover Deed Poll via the Rollover Bond Smart Contract;

iv) each Receiptholder is deemed to have read, understood and accepted the Offering Memorandum (including the Bond Conditions) for each Series of Rollover Digital Bonds issued during the period for which such Receiptholder holds Bond Token Receipts.

14)Termination of Automatic Rollover Subscription Option

a) **Automatic Termination** The Automatic Rollover Subscription Option shall be automatically terminated upon the occurrence of any of the following events (each, an "**Automatic Rollover Termination Event**"):

i) the delivery by the Issuer of an Early Termination Notice in respect of the Vault Series;
ii) the delivery by the Issuer of an Early Redemption Notice in respect of the Vault Series;
iii) the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*));
iv) the delivery by the Issuer of a Realization Event Notice in respect of the Vault Series;
v) the delivery by the Issuer of a Depeg Event Notice, a Replacement Settlement Currency Notice, a USD Depeg Settlement Notice or a USDC Depeg Settlement Notice (each as defined in Condition 34) (*Depeg Event*) in respect of the Vault Series; or
vi) the failure, for any reason, of the Subsequent Issuer to issue Rollover Bonds on the Maturity Date of the Vault Series or to deliver Digital Bond Tokens representing Rollover Bonds to the Bond Token Vault in exchange for Digital Bond Tokens representing the Digital Bonds of the Vault Series.

b) **Termination by Issuer** The Issuer shall have the right, at its discretion, to terminate the Automatic Rollover Subscription Option at any time where in the sole discretion of the Issuer (or the Tokenizer on its behalf), an event occurs which requires a discontinuation of the Automatic Rollover Subscription Option, including, but not limited to, any of the following events (each, an "**Issuer Rollover Termination Event**"):

i) the Issuer anticipates that the Final Payout Amount payable in respect of the Digital Bonds on the Maturity Date will be less than their principal amount;

ii) the Issuer has determined that the operation of the Bond Token Vault or the Automatic Rollover Subscription Option will become unlawful, impossible or unduly onerous in whole or in part, including, without limitation, as a result of compliance by the Issuer or the Tokenizer with any future law, rule, regulation, judgment, order or directive of

any governmental, administrative, legislative or judicial authority or power or controlling authority or of any other competent market authority;

iii) any failure or anticipated failure by the U.S. government to make full and timely payment of its debt obligations generally and/or under the Underlying T-bills;

iv) actual or predicted increased costs to the Issuer of maintaining or effecting transactions involving the Bond Token Vault or the Bond Token Receipts, or effecting a Rollover of the Digital Bonds; or

v) the Issuer infers that technological and/or operational risks related to the DLT have significantly increased.

c) **Rollover Termination Notice** Upon any termination of the Automatic Rollover Subscription Option due to the occurrence of an Automatic Rollover Termination Event or an Issuer Rollover Termination Event, (a "**Rollover Termination**"), the Issuer shall deliver a Notice of such termination (a "**Rollover Termination Notice**") to the Holders in accordance with Condition 39) (*Notices*).

d) **Effect of Rollover Termination** Upon any Rollover Termination, the Tokenizer shall not effect a Rollover of the Digital Bond Tokens in the Bond Token Vault on the Maturity Date. Holders will be required to withdraw all Digital Bond Tokens from the Bond Token Vault in order to submit any payment claim in respect of the Digital Bonds represented thereby. ***Holders must not deposit Digital Bond Tokens to the Bond Token Vault following any Rollover Termination.***

15)Purchase by the Issuer and the Tokenizer

a) The Issuer, the Tokenizer and/or any of their respective affiliates may at any time purchase Digital Bonds (whether by acquiring Digital Bond Tokens or Bond Token Receipts) at any price in the open market or otherwise, and any such Digital Bonds may, at the option of the Issuer, the Tokenizer and/or, as the case may be, the relevant affiliate, be held, cancelled or otherwise dealt with, subject to compliance with applicable law and regulation including, without limitation, market manipulation and employee trading restrictions.

b) The Issuer may also acquire Maturing Bonds from the Bond Token Vault upon settlement of the Automatic Rollover Subscription Order placed by the Tokenizer on behalf of the Holders of such Maturing Bonds. Any such Maturing Bonds acquired by the Issuer shall be redeemed during their Scheduled Redemption Payment Window in accordance with the procedures set out in Condition 18)d) (*Rollover Settlement*).

16)Pre-enforcement Priorities of Payments

a) **Early Termination, Early Redemption and Partial Early Redemption** Upon any early termination, early redemption or partial early redemption of the Digital Bonds, the Liquidation Proceeds (as defined in Condition 17)h) (*Settlement – Settlement on Early Termination or Early Redemption*) below)

or the Partial Liquidation Proceeds (as defined in Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*) below), as applicable will be paid by the Issuer in the following order of priority, subject to these Conditions:

i) *firstly*, to make payment of any amounts due in respect of unpaid taxes and governmental fees of or attributable to the Issuer;

ii) *secondly*, the Security Agent shall be entitled to receive payment in full of any outstanding amount of fees, costs and expenses and in respect of any outstanding claims it may have against the Issuer under the Security Deed or the Securities Account Control Agreement (including any fee claims, indemnities and any other claims to the extent that any such claims have not already been satisfied);

iii) *thirdly*, each of the On-Off Ramper, each Wallet Provider, the Corporate Services Provider, the Share Trustee, the SAC Representative and the external legal advisers to the Issuer shall be entitled to receive payment, on a *pari passu* and *pro rata* basis, of any outstanding amount of Issuer Fees and Expenses;

iv) *fourthly*, each Holder shall be entitled to receive, in respect of each Digital Bond held by it, on a *pro rata* and *pari passu* basis, an amount up to the Early Termination Amount, the Early Redemption Amount, or the Partial Early Redemption Amount as the case may be (such amount, the "**Early Termination Payment Amount**", the "**Early Redemption Payment Amount**" or the "**Partial Early Redemption Payment Amount**", as the case may be); and

v) *fifthly*, the surplus (if any) shall be payable to the Issuer.

b) **Maturity** Upon the Maturity Date of the Digital Bonds, the redemption proceeds of the Underlying T-bills (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) (the "**Collateral Proceeds**") will be paid by the Issuer in the following order of priority:

i) *firstly*, any amounts due in respect of unpaid taxes and governmental fees of or attributable to the Issuer;

ii) *secondly*, the Security Agent, shall be entitled to receive payment in full of any outstanding amount of fees, costs and expenses and in respect of any outstanding claims it may have against the Issuer under the Security Deed or the Securities Account Control Agreement (including any fee claims, indemnities and any other claims to the extent that any such claims have not already been satisfied);

iii) *thirdly*, each of the On-Off Ramper, each Wallet Provider, the Corporate Services Provider, the Share Trustee, the SAC Representative and the external legal advisers to the Issuer shall be entitled to receive payment, on a *pari passu* and *pro rata* basis, of amounts due to each of them in respect of any unpaid Issuer Fees and Expenses;

iv) *fourthly*, each Holder shall be entitled to receive, in respect of each Digital Bond held by it, on a *pro rata* and *pari passu* basis, an amount up to the nominal principal amount of the Digital Bonds (such amount, the "**Final Payout Amount**"); and

v) *fifthly*, the surplus (if any) shall be payable to the Issuer.

17) Settlement

a) Subject to the Payment Exception Circumstances (as defined below), settlement on termination or redemption of the Digital Bonds shall take place on the Early Termination Date, the Early Redemption Date, the Maturity Date or the Depeg Settlement Date (as defined in Condition 34) (*Depeg Event*)), as the case may be, by delivery of an amount in USDC representing the Early Termination Payment Amount, the Early Redemption Payment Amount, the Final Payout Amount or the Depeg Settlement Amount payable (as applicable) to the Holders, by the Bond Smart Contract delivering such amount in USDC to the digital wallet address of each Holder of Digital Bond Tokens that is (a) recorded on the Digital Wallet Whitelist in accordance with Condition 5) (*Investor Screening*) and (b) not included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist)* of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), upon submission by such Holder of a repayment claim to the Bond Smart Contract in accordance with this Condition 17) (*Settlement*).

b) ***The Bond Token Vault Smart Contract is not programmed to make any payment to Holders in respect of Bond Token Receipts or Digital Bond Tokens. Payment claims must be submitted to the Bond Smart Contract by Holders using a digital wallet address to which Digital Bond Tokens are credited. To submit any payment claim into the Bond Smart Contract, Holders in possession of Bond Token Receipts must therefore first make a Bond Token Withdrawal.***

c) In the case of a Payment Claim Failure (as defined in Condition 21) (*Payment Claim Failure*) or a Depeg Event (as defined in Condition 34) (*Depeg Event*) or in any case where the Tokenizer on the Issuer's behalf otherwise determines that it is not practicable to settle via the Bond Smart Contract, (together, the "**Payment Exception Circumstances**"), settlement in respect of some or all Holders may occur, (at the Tokenizer's discretion, acting on behalf of the Issuer) (i) on-chain outside the Bond Smart Contract with a payment made by or on behalf of the Issuer in USDC (or the Replacement Settlement Currency) (as defined in Condition 34) (*Depeg Event*)) to the digital wallet of the relevant Holder or (ii) off-chain in USD to the USD bank account designated by the relevant Holder, in each case in exchange for delivery by the Holder of the Digital Bond Tokens into the Bond Smart Contract, to the digital wallet of the Issuer or as otherwise instructed by the Tokenizer, which may be on a free-of-payment basis.

d) Following a Realization Event and enforcement of the Security, the Security Agent may also determine (and for these purposes shall act in accordance with instructions received by it from the Tokenizer in accordance with Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*)) that Net Realization Proceeds (as defined in Condition 25) (*Realization Event Priority of Payments*))

shall be distributed to some or all Holders on-chain outside the Bond Smart Contract in USDC (or the Replacement Settlement Currency) or off-chain in USD.

e) To receive any payment in connection with the Digital Bonds, each Holder must submit a payment claim into the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract during the relevant Payment Window (or, following a Realization Event and enforcement of the Security, using such other method as the Tokenizer or the Security Agent may direct in a Notice to the Holders in accordance with Condition 39) (*Notices*)).

f) In order to submit a payment claim into the Bond Smart Contract (or otherwise claim any payment in respect of the Digital Bonds), each Holder must first satisfactorily complete Investor Screening such that the digital wallet address of such Holder can be added to the Tokenizer's Digital Wallet Whitelist. Any claim for payment emanating from a digital wallet the address of which is not included on the Digital Wallet Whitelist will be automatically rejected by the Bond Smart Contract. In that event, Holders should follow the procedures outlined in Condition 21) (*Payment Claim Failure*). The Issuer or the Security Agent may also refuse to make any payment to a Holder which has not satisfactorily completed Investor Screening.

g) Any USD fiat account provided by a Holder for purposes of receiving payment of any amount in respect of the Digital Bonds must be located and maintained outside the United States. None of the Issuer, the Security Agent or any Paying Agent will make payment to an account which is located or maintained within the United States and the Issuer (or the Security Agent or any Paying Agent on the Issuer's behalf) may refuse to make payment to any Holder who fails to provide a bank account which is not located and maintained outside the United States.

h) **Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds** Amounts realised by the Issuer in connection with the liquidation of the Underlying T-bills in the event of an early termination, an early redemption or an acceleration of the Digital Bonds (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Liquidation Proceeds**".

The practical steps involved in the settlement of the Digital Bonds in the event of (i) early termination of the Digital Bonds due to exercise of the Issuer Call in accordance with Condition 12)b) (*Redemption - Early Termination – Issuer Call*); (ii) early redemption of the Digital Bonds due to the occurrence of a Tax Event in accordance in accordance with Condition 12)c) (*Redemption - Early Redemption – Tax Event*); or (iii) an Acceleration of the Digital Bonds in accordance with Condition 24)b) (*Enforcement – Acceleration*) are as follows:

i) Prior to the Early Termination Date, the Early Redemption Date or the Acceleration Payment Date (as applicable), the Issuer instructs and/or authorizes:

(1) the Custodian to liquidate the Underlying T-bills in the Securities Collateral Account in accordance with the Brokerage

and Custody Agreement and to deliver the Liquidation Proceeds to the Cash Collateral Account of the Issuer; and

(2) the Custodian to transfer the Liquidation Proceeds in USD from the Cash Collateral Account to the Issuer's account with the On-Off Ramper;

ii) the Issuer shall then calculate the amounts payable in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) (in the case of an early termination or an early redemption) or paragraphs (i) and (ii) of Condition 25) (*Realization Event Priority of Payments*) in the case of an Acceleration) and, as soon as reasonably practicable, procure the payment of those amounts to the relevant recipients (the remaining Liquidation Proceeds, the "**Net Liquidation Proceeds**");

iii) the Issuer shall then instruct the On-Off Ramper to convert the Net Liquidation Proceeds in the Issuer's fiat account from USD to USDC and credit such amount in USDC (the "**USDC Liquidation Proceeds**") to the Issuer's digital wallet with the On-Off Ramper;

iv) on the Early Termination Date, the Early Redemption Date or the Acceleration Payment Date, as applicable, the Issuer shall:

(1) calculate the Early Termination Payment Amount or the Early Redemption Payment Amount payable (in accordance with Condition 16) (*Pre-enforcement Priorities of Payment*)) or the Acceleration Payment Amount payable in accordance with Condition 25) (*Realization Event Priority of Payments*, as applicable, and update the Bond Smart Contract to reflect the Early Termination Payment Amount, the Early Redemption Payment Amount or the Acceleration Payment Amount (as applicable);

(2) transfer an amount in USDC sufficient to fund payment of the Early Termination Payment Amount, the Early Redemption Payment Amount or the Acceleration Payment Amount due to all Holders from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract (with any remaining USDC Liquidation Proceeds to be applied in accordance with paragraph (v) of Condition 16) (*Pre-Enforcement Priorities of Payment*) or paragraph (v) of Condition 25) (*Realization Event Priority of Payments*), as applicable); and

(3) publish a Notice in accordance with Condition 39) (*Notices*) informing the Holders of the Early Redemption Payment Amount, the Early Termination Payment Amount or the Acceleration Payment Amount (as applicable) payable in respect of each Digital Bond, that the Bond Smart Contract has been funded with such Early Redemption Payment Amount, Early Termination Payment Amount or Acceleration Payment Amount (as applicable) and instructing the Holders to submit their payment claims into the Bond Smart Contract

within the period commencing upon the issuance of such notice and ending at 24:00 UTC on the 3rd Business Day following the Early Redemption Date or Early Termination Date, as applicable, (the "**Early Redemption Payment Window**", the "**Early Termination Payment Window**" or the "**Acceleration Payment Window**");

v) during the Early Redemption Payment Window, the Early Termination Payment Window or the Acceleration Payment Window (as applicable), each Holder may submit its payment claim to the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract using a digital wallet address to which Digital Bond Tokens are credited; and

vi) provided that a Holder's payment claim emanates from a digital wallet address which is included on the Digital Wallet Whitelist and is not included on the Sanctions Blacklist or the Digital Wallet Blacklist, simultaneously with the submission by such Holder of a payment claim, the Digital Bond Tokens held by such Holder will be automatically burned by the Bond Smart Contract, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens and the Bond Smart Contract will automatically ('atomically') effect a payment into the Holder's digital wallet in an amount of USDC representing the Early Redemption Payment Amount, the Early Termination Payment Amount or the Acceleration Payment Amount (as applicable) payable in respect of that Holder's claim.

i) **Settlement on Partial Early Redemption** Amounts realised in connection with the partial liquidation of the Underlying T-bills in the event of a Partial Early Redemption pursuant Condition 12)d) (*Redemption – Partial Early Redemption*) (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Partial Liquidation Proceeds**". The practical steps involved in the settlement of the Digital Bonds the subject of a Partial Early Redemption are as follows:

i) On or before the Partial Early Redemption Settlement Date, the Issuer delivers a notice via e-mail addressed to the Redeeming Holder confirming:

(1) the Issuer's agreement to effect a partial early redemption;

(2) the principal amount of Digital Bonds to be redeemed (the "**Partial Early Redemption Principal Amount**");

(3) the amount payable by the Issuer in respect of the early redemption of such Digital Bonds (the "**Partial Early Redemption Amount**"); and

(4) instructing the Redeeming Holder to deliver the Digital Bond Tokens representing the Partial Early Redemption Principal Amount to the digital wallet address of the Issuer, on a free-of-payment basis, within the period commencing upon the issuance of such notice and ending at 18:00 UTC on the Partial Early Redemption Settlement Date (the "**Partial Early**

Redemption Cut-Off Time'), which delivery shall constitute the Redeeming Holder's acceptance of the Partial Early Redemption Amount;

ii) Provided the Digital Bond Tokens representing the Partial Early Redemption Principal Amount have been received in the digital wallet address of the Issuer by the Partial Early Redemption Cut-Off Time, the Issuer instructs and/or authorizes:

(1) the Custodian to liquidate Underlying T-bills in the Securities Collateral Account having a USD principal amount which is equal to the Partial Early Redemption Principal Amount (the "**T-bills Partial Liquidation Amount**") in accordance with the Brokerage and Custody Agreement and to deliver the Partial Liquidation Proceeds to the Cash Collateral Account of the Issuer; and

(2) the Custodian to transfer the Partial Liquidation Proceeds in USD from the Cash Collateral Account to the Issuer's account with the On-Off Ramper;

iii) upon receipt of the Partial Liquidation Proceeds in the Issuer's account with the On-Off Ramper, the Issuer shall then calculate the amounts payable (if any) in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) (such amounts to be determined proportionately based upon the principal amount of the Digital Bonds being redeemed pursuant to the Partial Early Redemption) and, as soon as reasonably practicable, procure the payment of those amounts to the relevant recipients (the remaining Partial Liquidation Proceeds, the "**Net Partial Liquidation Proceeds**"). If, due to price movements, the Net Partial Liquidation Proceeds are not sufficient for the Issuer to make payment in full of the Partial Early Redemption Amount (a "**T-bill Sale Shortfall**"), the Tokenizer shall (in accordance with the Arrangement and Tokenization Services Agreement) provide any required funds to the Issuer to cover the amount of such T-bill Sale Shortfall;

iv) the Issuer shall then instruct the On-Off Ramper to convert the Net Partial Liquidation Proceeds in the Issuer's fiat account from USD to USDC and credit such amount in USDC (the "**USDC Partial Liquidation Proceeds**") to the Issuer's digital wallet with the On-Off Ramper;

v) the Issuer shall then calculate the Partial Early Redemption Payment Amount payable in accordance with Condition 16) (*Pre-enforcement Priorities of Payments*) and if the Partial Early Redemption Payment Amount is not equal to the Partial Early Redemption Amount, deliver a notice by email to the Redeeming Holder informing the Redeeming Holder of the Partial Early Redemption Payment Amount payable in respect of each Digital Bond;

vi) provided that the Redeeming Holder's digital wallet address is included on the Digital Wallet Whitelist and is not included on the Sanctions

Blacklist or the Digital Wallet Blacklist, the Tokenizer (on the Issuer's behalf), shall effect a payment in USDC of the Partial Early Redemption Payment Amount from the digital wallet address of the Issuer to the digital wallet address of the Redeeming Holder; and

vii) upon payment of the Partial Early Redemption Payment Amount being made to the digital wallet address of the Redeeming Holder, the Tokenizer (on behalf of the Issuer) shall call the Burning Function in the Bond Smart Contract, sending the Digital Bond Tokens representing the Partial Early Redemption Principal Amount to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented thereby.

j) **Settlement on Maturity** Amounts paid out on the maturity of the Underlying T-bills (net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**Collateral Proceeds**". The practical steps involved in the settlement of redemption of the Digital Bonds on the Maturity Date are as follows:

i) on the Maturity Date:

(1) the Collateral Proceeds are credited in USD to the Cash Collateral Account; and

(2) the Issuer shall then calculate the amounts payable in accordance with paragraphs (i) to (iii) of Condition 16) (*Pre-Enforcement Priorities of Payments*) and, as soon as reasonably practicable, procure the payment of those amounts to the relevant recipients (the remaining Collateral Proceeds, the "**Net Collateral Proceeds**");

ii) the Issuer shall then:

(1) calculate the Final Payout Amount payable in accordance with Condition 16)b) (*Pre-Enforcement Priorities of Payments*) and update the Bond Smart Contract to reflect the Final Payout Amount; and

(2) retain from the Net Collateral Proceeds in the Cash Collateral Account an amount in USD sufficient to make payment of the Final Payout Amount due to the Subsequent Issuer in respect of the Digital Bonds delivered to it upon the Rollover Settlement;

iii) the Issuer (or the Tokenizer on its behalf) shall then instruct the Custodian to transfer the remaining Net Collateral Proceeds in USD from the Cash Collateral Account to the Issuer's account with the On-Off Ramper;

iv) the Issuer shall then instruct the On-Off Ramper to convert the Net Collateral Proceeds in the Issuer's fiat account with the On-Off Ramper from USD to USDC and credit such amount in USDC to the Issuer's

digital wallet with the On-Off Ramper (such amount in USDC, the "**USDC Collateral Proceeds**");

v) the Issuer shall then:

(1) transfer an amount in USDC sufficient to fund payment of the Final Payout Amount due to all Holders (other than the Subsequent Issuer) from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract (with any remaining USDC Collateral Proceeds to be applied in accordance with paragraph (v) of Condition 16)b) (*Pre-Enforcement Priorities of Payment*)); and

(2) publish a Notice in accordance with Condition 39) (*Notices*) informing the Holders of the Final Payout Amount payable in respect of each Digital Bond, that the Bond Smart Contract has been funded with such Final Payout Amount and instructing the Holders to submit their payment claims to the Bond Smart Contract within the Scheduled Redemption Payment Window (as defined in Condition 12)a) (*Redemption – Scheduled Redemption*) above);

vi) during the Scheduled Redemption Payment Window:

(1) the Issuer shall transfer an amount in USD sufficient to fund payment of the Final Payout Amount due to the Subsequent Issuer from the Cash Collateral Account to the cash collateral account of the Subsequent Issuer;

(2) each Holder may submit its payment claim to the Bond Smart Contract via the Pivio Platform or by accessing the Bond Smart Contract directly at its address on the DLT using a digital wallet address to which Digital Bond Tokens are credited; and

(3) provided that a Holder's payment claim emanates from a digital wallet address which is included on the Digital Wallet Whitelist, and is not included on the Sanctions Blacklist or the Digital Wallet Blacklist, simultaneously with the submission by such Holder of a payment claim, the Digital Bond Tokens held by such Holder will be automatically burned by the Bond Smart Contract, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens and the Bond Smart Contract will automatically ('atomically') effect a payment into the Holder's digital wallet in an amount of USDC representing the Final Payout Amount payable in respect of that Holder's claim.

k) **Alternative Settlement** In the event that the Issuer determines that settlement in accordance with the above procedures will not be practicable, the Issuer shall deliver a Notice to the Holders in accordance with Condition 39) (*Notices*) informing the Holders of the alternative settlement procedures to be followed, which may include (i) an on-chain payment in USDC (or the Replacement Settlement Currency) (as defined in Condition 34) (*Depeg*

Event)) by or on behalf of the Issuer to the digital wallet address of the Holder or (ii) an off-chain payment in fiat to the USD bank account provided by the Holder to the Tokenizer for such purpose, in each case against delivery by each Holder of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer, which may be on a free-of-payment basis.

l) Digital Bonds which have been redeemed and cancelled may not be reissued or resold.

m) No interest shall accrue nor shall any other such amount be payable to any Holder at any time in respect of Digital Bonds whether or not such Holder has submitted a payment claim in respect of the Early Redemption Payment Amount, the Early Termination Payment Amount, the Acceleration Payment Amount, the Final Payout Amount, the Depeg Settlement Amount (as defined in Condition 34) (*Depeg Event*) or the Replacement Settlement Currency Amount (as defined in Condition 34) (*Depeg Event*) (as the case may be), irrespective of the time at which any such claim is submitted. Nor will any default interest or other amount be payable by the Issuer in the event of any late payment by the Issuer of the Early Redemption Payment Amount, the Early Termination Payment Amount, the Acceleration Payment Amount, the Final Payout Amount, the Depeg Settlement Amount or the Replacement Settlement Currency Amount. For the avoidance of doubt, nothing in this Condition 17)m) applies to Accrual Yield.

18)Rollover Settlement

a) Digital Bonds represented by Digital Bond Tokens in the Bond Token Vault as of the Rollover Cut-Off Time ("**Maturing Bonds**") shall be exchanged upon their Maturity Date for Rollover Bonds of the next Series in accordance with the following procedures:

i) a single Subscription Order for Rollover Bonds (an "**Automatic Rollover Subscription Order**") is placed by the Tokenizer on behalf of the Holders of all Maturing Bonds during the book-building period for the Rollover Bonds;

ii) the Bond Smart Contract for each Series of Rollover Bonds (each, a "**Rollover Bonds Smart Contract**") is programmed to accept, upon settlement of Subscription Orders for such Rollover Bonds, either an amount in USDC or Digital Bond Tokens representing Maturing Bonds;

iii) a price is ascribed to each Maturing Digital Bond to be delivered to the Subsequent Issuer (the "**Rollover Price**"), which shall be equal to the Final Payout Amount payable in respect of such Maturing Bond;

iv) the aggregate principal amount of Rollover Bonds subscribed pursuant to the Automatic Rollover Subscription Order will be such principal amount of Rollover Bonds having an aggregate Issue Price which is equal to the aggregate Rollover Price of the Maturing Bonds; and

v) the Automatic Rollover Subscription Order will be settled during the Issuance Settlement Window for the Rollover Bonds by the Tokenizer

executing the Rollover Function of the Bond Token Vault Smart Contract, whereby the Digital Bond Tokens representing Maturing Bonds are transferred from the Bond Token Vault to the digital wallet of the Subsequent Issuer, and the Digital Bond Tokens representing the subscribed Rollover Bonds are simultaneously (atomically) minted and delivered from the Rollover Bonds Smart Contract into the Bond Token Vault (a "**Rollover Settlement**");

b) The number of Digital Bond Tokens representing Rollover Digital Bonds which will be delivered into the Bond Token Vault upon the Rollover Settlement will be equal to the result of the following calculation, as performed automatically by the Bond Token Vault Smart Contract: ***(number of Digital Bond Tokens in Bond Token Vault) multiplied by: (Rollover Price ascribed to each Maturing Bond) divided by / (the Issue Price for each Rollover Bond)***;

c) Upon completion of the Rollover Settlement, the Tokenizer shall update the Bond Token Vault Smart Contract such that the Rollover Bonds become the Vault Series and the Bond Token Vault shall thereafter only allow Holders to make Token Deposits and Token Withdrawals of Digital Bond Tokens representing Digital Bonds of that Series, until the next Rollover Cut-Off Time;

d) Upon completion of the Rollover Settlement, the Subsequent Issuer (or the Tokenizer acting on its behalf) shall:

i) submit a Payment Claim to the Preceding Issuer for the aggregate Final Payout Amount payable in respect of the Maturing Bonds acquired by the Subsequent Issuer, which claim shall be paid by the Preceding Issuer delivering an amount in USD representing such Final Payout Amount (such amount to be paid from the Cash Collateral Account of the Preceding Issuer out of the Net Collateral Proceeds received by it upon redemption of the Underlying T-bills held by it), to the Cash Collateral Account of the Subsequent Issuer against delivery by the Subsequent Issuer of the Digital Bond Tokens representing the Maturing Bonds to the digital wallet address of the Preceding Issuer, into the Bond Smart Contract, or as otherwise instructed by the Tokenizer, on a free-of-payment basis. Following such payment, the Digital Bond Tokens representing the Maturing Bonds acquired by the Subsequent Issuer will be sent to the Ethereum universal burn address, effecting the cancellation of such Maturing Bonds;

ii) apply the Final Payout Amount received by it in respect of the Maturing Bonds towards settlement of the purchase of Underlying T-bills in an aggregate principal amount equal to the aggregate principal amount of Rollover Bonds represented by the Digital Bond Tokens delivered into the Bond Token Vault, which Underlying T-bills shall be deposited into the Securities Collateral Account of the Subsequent Issuer as collateral for the Rollover Bonds;

iii) post a Notice to the Holders of the Rollover Bonds in accordance with Condition 39) (*Notices*), informing such Holders:

(1) that the Rollover Settlement has been completed;

(2) the Rollover Price ascribed to the Maturing Bonds;

(3) the Issue Price paid for the Rollover Bonds;

(4) the amount of the Tokenization Services Fee and Issuance Fee paid in respect of the issuance of the Rollover Bonds;

(5) the principal amount of Digital Bond Tokens representing Maturing Bonds which have been delivered from the Bond Token Vault to the Subsequent Issuer;

(6) the principal amount of Digital Bond Tokens representing Rollover Bonds which have been delivered from the Rollover Bonds Smart Contract into the Bond Token Vault;

(7) the Final Payout Amount paid to the Subsequent Issuer in respect of the Maturing Bonds;

(8) the principal amount of Underlying T-bills purchased by the Subsequent Issuer with the Final Payout Amount paid to it in respect of the Maturing Bonds; and

(9) that the Bond Token Vault Smart Contract has been updated such that the Rollover Bonds have become the Vault Series.

e) Upon completion of the Rollover Settlement, each Receiptholder shall automatically (without any action on the part of the Holder) become entitled to an Aggregate Share of the Digital Bond Tokens in the Bond Token Vault representing Rollover Bonds equivalent to the Aggregate Share of the Digital Bond Tokens representing Maturing Bonds to which such Receiptholder was entitled as of the Rollover Cut-Off Time (the value of such Aggregate Share will reflect any change to the value of the Digital Bond Tokens in the Bond Token Vault as a result of the yield earned on the Maturing Bonds);

f) Each Bond Token Receipt shall, following a Rollover Settlement, represent:

i) the Holder's ownership of such number of Rollover Bonds as are represented by the number of Digital Bond Tokens which may be exchanged with the Bond Token Vault for such Bond Token Receipt at that time;

ii) the Holder's right to receive from the Bond Token Vault, in exchange for such Bond Token Receipt, the number of Digital Bond Tokens representing Rollover Bonds as are represented by such Bond Token Receipt at that time, by making a Bond Token Withdrawal; and

iii) provided the Holder has not withdrawn such Digital Bond Tokens before the next Rollover Cut-Off Time, the Holder's instructions (subject at all times to these Conditions) for such Digital Bond Tokens to be exchanged for Digital Bond Tokens representing the next Series of Rollover Bonds on the Maturity Date of the Rollover Bonds represented thereby.

19)Discharge

Subject to the provisions of Condition 21) (*Payment Claim Failure*), Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*) and Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*), the Issuer shall be fully and finally discharged in respect of its payment obligations to each Holder under the Digital Bonds upon completion of the following steps:

a) in the case of a settlement on-chain in USDC via the Bond Smart Contract:

   i) the Issuer making payment into the Bond Smart Contract of an amount in USDC or the Replacement Settlement Currency (as applicable) representing the Early Redemption Payment Amount, the Early Termination Payment Amount, the Acceleration Payment Amount, the Final Payout Amount, the Depeg Settlement Amount or the Replacement Settlement Currency Amount (as applicable) payable in respect of all of the Digital Bonds outstanding; and

   ii) successful submission by the Holder of a payment claim into the Bond Smart Contract (via the Pivio Platform or by accessing the Bond Smart Contract on the DLT) in respect of the Early Termination Payment Amount, the Early Redemption Payment Amount, the Acceleration Payment Amount, the Final Payout Amount, the USDC Depeg Settlement Amount or the Replacement Settlement Currency Amount (as applicable) from a digital wallet address to which Digital Bond Tokens are credited and which is (a) included on the Digital Wallet Whitelist and (b) not included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)), payment of such amount by the Bond Smart Contract to such Holder in USDC or the Replacement Settlement Currency (as applicable) to the digital wallet address of such Holder;

b) in the case of an alternative settlement in accordance with Condition 17) (*Settlement*), in respect of each Holder which has satisfactorily completed Investor Screening and whose digital wallet address is (a) included on the Digital Wallet Whitelist in accordance with Condition 5) (*Investor Screening*) and (b) not included on the Sanctions Blacklist or the Digital Wallet Blacklist (each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions ad Eligibility Criteria*)), either:

   i) the Issuer (or the Bond Smart Contract) making an on-chain payment in USDC in respect of the Early Termination Payment Amount, the Early Redemption Payment Amount, the Acceleration Payment Amount, the Final Payout Amount, the USDC Depeg Settlement Amount or an on-chain payment in the Replacement Settlement Currency in respect of the Replacement Settlement Currency Amount (as applicable) to the digital wallet address of the Holder; or

   ii) the Issuer making an off-chain payment in fiat in respect of the Early Termination Payment Amount, the Early Redemption Payment

Amount, the Acceleration Payment Amount, the Final Payout Amount, or the USD Depeg Settlement Amount to the USD bank account provided by the Holder to the Tokenizer for such purpose,

in each case against delivery by such Holder of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer (which may be on a free-of-payment basis);

c) in the case of any Partial Early Redemption Payment Amount payable in accordance with Condition 17)i) (*Settlement – Settlement on Partial Early Redemption*), the Issuer making payment of such amount in USDC to the digital wallet address of the Redeeming Holder which has satisfactorily completed Investor Screening against the delivery by such Holder of the Digital Bond Tokens representing the Partial Early Redemption Principal Amount to the digital wallet address of the Issuer;

d) in the case of any USD Depeg Settlement Amount payable in accordance with Condition 34) (*Depeg Event*), the Issuer making direct payment of such USD Depeg Settlement Amount in USD to the USD bank account designated by each Holder which has satisfactorily completed Investor Screening against delivery of the Digital Bond Tokens held by such Holder to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Issuer; or

e) in the case of any Digital Bonds which are delivered to the Subsequent Issuer via the Bond Token Vault on the Maturity Date in accordance with Condition 18) (*Rollover Settlement*), the Issuer shall be fully and finally discharged in respect of its payment obligations to the Subsequent Issuer under such Digital Bonds upon the Issuer making payment in USD from the Cash Collateral Account of the Issuer to the Cash Collateral Account of the Subsequent Issuer of the aggregate Final Payout Amount due in respect of such Digital Bonds, against delivery by the Subsequent Issuer of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer (on a free-of-payment basis).

20)Bond Smart Contract Sweeping

a) Upon expiry of:

i) the Early Redemption Payment Window;

ii) the Early Termination Payment Window;

iii) the Scheduled Redemption Payment Window;

iv) the Acceleration Payment Window;

v) the USDC Smart Contract Realization Payment Window (as defined in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*)); or

vi) the Depeg Settlement Window or the Replacement Currency Settlement Window (each as defined in Condition 34) (*Depeg Event*),

as applicable (each, a "**Payment Window**"),

any amount of USDC (or of the Replacement Settlement Currency, as the case may be) remaining unclaimed in the Bond Smart Contract shall be transferred by the Tokenizer back to the Issuer's Fireblocks digital wallet (such process referred to as "**Sweeping**").

b) Such funds will continue to be held by the Issuer in whatever manner determined by it (in its sole discretion) until all outstanding payment claims from Holders in respect of the Digital Bonds have been made or the prescription of such claims occurs in accordance with Condition 42) (*Prescription*).

c) Any payment claim submitted to the Bond Smart Contract after Sweeping has occurred will be automatically rejected by the Bond Smart Contract. In that event, Holders are instructed to follow the procedures outlined in Condition 21) (*Payment Claim Failure*). **Holders should not attempt to send Digital Bond Tokens to the Bond Smart Contract other than via the Pivio Platform, unless specifically instructed by the Issuer.**

21) Payment Claim Failure

a) If, upon any Early Termination Date, any Early Redemption Date, the Maturity Date, a Depeg Settlement Date or in connection with any distribution of the Net Realization Proceeds, a Holder's payment claim is rejected by the Bond Smart Contract (a "**Payment Claim Failure**") due to:

i) such Holder failing to submit its payment claim to the Bond Smart Contract during the relevant Payment Window;

ii) such Holder's digital wallet address not being included on the Digital Wallet Whitelist; or

iii) any other technical issue,

such Holder will need to contact the Tokenizer directly (by e-mail or via the Pivio Platform) to make arrangements for alternative settlement with the Issuer, such settlement to be effected, at the Issuer's discretion, and subject always to prior satisfactory completion of Investor Screening, by way of:

(1) delivery by the Holder of the Digital Bond Tokens held by it to the Issuer (whether to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Issuer), which may be on a free-of-payment basis; and

(2) payment by or on behalf of the Issuer of the amount due to the Holder either in USDC (or the Replacement Settlement Currency) directly to the Holder's digital wallet or by way of bank transfer in USD to the USD-denominated bank account designated by the Holder.

iv) In that event, the Issuer's obligations under the Digital Bonds shall be fully discharged with respect to the Digital Bonds held by such Holder upon payment of such amount in USDC, the Replacement Settlement Currency or USD (as the case may be), net of any transaction costs, to the Holder's digital wallet or bank account. Simultaneously with such payment being made, the Digital Bond Tokens received in the Issuer's Fireblocks digital wallet, the Bond Smart Contract or as otherwise instructed by the Tokenizer will be sent to the Ethereum universal burn address, thereby effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens.

b) If a Payment Claim Failure occurs due to the digital wallet address of the Holder being included on the Sanctions Blacklist and/or the Digital Wallet Blacklist (each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), the Issuer may refuse to make payment to the Holder until such time as the Holder's digital wallet address is removed from the Sanctions Blacklist and/or the Digital Wallet Blacklist (in which event payment shall be made to the Holder in accordance with the procedures outlined in Condition 17) (*Settlement*). The Issuer shall be under no obligation to remove a digital wallet address from the Digital Wallet Blacklist if the Holder is unable to satisfactorily (in the Issuer's sole discretion) complete Investor Screening. The Security Agent shall at all times refuse to make payment to any Holder whose digital wallet address is included on the Sanctions Blacklist or the Digital Wallet Blacklist.

c) If any Holder fails to satisfactorily complete Investor Screening and/or the Issuer knows or (in its absolute discretion) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime, the Issuer may, and the Security Agent shall, refuse to make any payment in respect of the Digital Bonds of the Holder and the Issuer shall be entitled at its discretion to add the digital wallet address of such Holder to the Digital Wallet Blacklist.

d) If a Payment Claim Failure occurs following the occurrence of a Realization Event, the Tokenizer shall perform the procedures contemplated to be performed by it in this Condition 21) (*Payment Claim Failure*) on behalf of the Security Agent. The Security Agent shall be entitled to rely without liability on the Digital Wallet Blacklist and the Sanctions Blacklist, which shall be provided to it by the Issuer (or the Tokenizer on its behalf).

e) Any transaction costs incurred by the Issuer or the Tokenizer in connection with alternative settlement procedures necessitated as a result of a Payment Claim Failure (including, without limitation, DLT Fees and currency conversion or wire transfer fees), shall be for the account of the Holder and may be deducted by the Issuer or the Tokenizer prior to making any payment to the Holder.

f) None of the Issuer, the Tokenizer or the Security Agent shall be liable to any Holder for any loss or expense suffered or incurred as a result of the digital wallet address of such Holder being included at any time on the Sanctions Blacklist or the Digital Wallet Blacklist or for any decision taken by the Issuer or the Security Agent to withhold payment from such Holder due to the Holder

failing to satisfactorily complete Investor Screening, the digital wallet address of such Holder being included on the Sanctions Blacklist or the Digital Wallet Blacklist or any decision taken by the Issuer or the Tokenizer to add or maintain the digital wallet address of such Holder on the Digital Wallet Blacklist.

22) Bond Token Deposit Failure or Bond Token Withdrawal Failure

a) If, at any time, a Holder's Bond Token Deposit is rejected by the Bond Token Vault Smart Contract (a "**Bond Token Deposit Failure**") due to such Holder failing to submit its Bond Token Deposit request prior to the Rollover Cut-Off Time, but the Holder still wishes to exercise the Automatic Rollover Subscription Option, such Holder may contact the Tokenizer directly off-chain (by e-mail or via the Pivio Platform). The Tokenizer shall consider possible alternative arrangements for the Holder to participate in the Automatic Rollover. If it is not possible for an alternative settlement to be arranged, the Holder shall retain the Digital Bond Tokens in its possession and must submit a repayment claim in respect of the Digital Bonds represented thereby into the Bond Smart Contract via the Pivio Platform or the Bond Smart Contract during the Scheduled Redemption Settlement Window.

b) If, at any time, a Receiptholder's Bond Token Withdrawal is rejected by the Bond Token Vault Smart Contract (a "**Bond Token Withdrawal Failure**") due to such Receiptholder failing to submit its Bond Token Withdrawal to the Bond Token Vault Smart Contract prior to the Rollover Cut-Off Time, the Digital Bond Tokens represented by the Bond Token Receipts of such Receiptholder will be automatically delivered to the Rollover Bonds Smart Contract upon the next Rollover Settlement. There is nothing the Receiptholder, the Issuer or the Tokenizer may do to prevent this. Following the Rollover Settlement, the Bond Token Receipts of such Receiptholder will be exchangeable for Digital Bond Tokens representing Rollover Bonds, in respect of which the Receiptholder may make a Bond Token Withdrawal at any time prior to the next Rollover Cut-Off Time.

c) If, at any time, a Holder's Bond Token Deposit or a Receiptholder's Bond Token Withdrawal is rejected by the Bond Token Vault Smart Contract due to a technical issue, such Holder or Receiptholder will need to contact the Tokenizer directly off-chain (by e-mail or via the Pivio Platform). The Tokenizer shall consider possible arrangements for an alternative settlement of such Bond Token Deposit or Bond Token Withdrawal. If it is not possible for an alternative settlement to be arranged, the Holder shall, in the case of a Bond Token Deposit Failure, retain the Digital Bond Tokens held by it and shall be entitled to submit a repayment claim into the Bond Smart Contract during the Scheduled Redemption Settlement Window or, in the case of a Bond Token Withdrawal Failure, the Receiptholder shall retain the Bond Token Receipts held by it, the Digital Bond Tokens in the Bond Token Vault will be exchanged upon the Rollover Settlement for Digital Bond Tokens representing Rollover Bonds and the Receiptholder shall be entitled to make a new Bond Token Withdrawal of such Digital Bond Tokens.

d) Any transaction costs incurred by the Issuer or the Tokenizer in connection with alternative settlement procedures necessitated as a result of a Bond Token Deposit Failure or a Bond Token Withdrawal Failure (including, without

limitation, DLT Fees), shall be for the account of the Holder or Receiptholder and may be deducted by the Issuer or the Tokenizer prior to making any payment or delivery to the Holder or Receiptholder or executing any other transaction on the DLT.

e) If a Bond Token Deposit Failure or a Bond Token Withdrawal Failure occurs due to the digital wallet address of the Holder or Receiptholder being included on the Sanctions Blacklist and/or the Digital Wallet Blacklist (each as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*), the Issuer may refuse to assist the Holder or Receiptholder in making such Bond Token Deposit or Bond Token Withdrawal until such time as the Holder's or Receiptholder's digital wallet address is removed from the Sanctions Blacklist and/or the Digital Wallet Blacklist. The Issuer shall be under no obligation to remove a digital wallet address from the Digital Wallet Blacklist if the Holder or Receiptholder is unable to satisfactorily (in the Issuer's sole discretion) complete Investor Screening.

f) If any Holder or Receiptholder fails to satisfactorily complete Investor Screening and/or the Issuer knows or (in its absolute discretion) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime, the Issuer may, refuse to assist the Holder or Receiptholder in making a Bond Token Deposit or Bond Token Withdrawal and the Issuer shall be entitled at its discretion to add the digital wallet address of such Holder or Receiptholder to the Digital Wallet Blacklist.

g) None of the Issuer, the Tokenizer or the Security Agent shall be liable to any Holder or Receiptholder for any loss or expense suffered or incurred as a result of the digital wallet address of such Holder or Receiptholder being included at any time on the Sanctions Blacklist or the Digital Wallet Blacklist or for any decision taken by the Issuer or the Security Agent to refuse to assist such Holder in making a Bond Token Deposit or such Receiptholder in making a Bond Token Withdrawal due to the Holder or Receiptholder failing to satisfactorily complete Investor Screening, the digital wallet address of such Holder or Receiptholder being included on the Sanctions Blacklist or the Digital Wallet Blacklist or any decision taken by the Issuer or the Tokenizer to add or maintain the digital wallet address of such Holder or Receiptholder on the Digital Wallet Blacklist.

h) None of the Issuer, the Tokenizer or the Security Agent shall be liable to any Holder or Receiptholder for any loss or expense suffered or incurred as a result of a Bond Token Deposit Failure or a Bond Token Withdrawal Failure.

23)Realization Event

a) The occurrence of any of the following events shall constitute a realization event (a "**Realization Event**"):

i) **Breach of Conditions** the Issuer is in breach of the Conditions of the Digital Bonds:

(1) as a result of non-payment of an amount in excess of USDC100,000 due under these Conditions in respect of the Digital Bonds (other than as a result of a Payment Claim Failure in accordance with Condition 21) (*Payment Claim Failure*), unless the non-payment is remedied within 3 (three) Business Days of the original due date of such amount; or

(2) in any other manner that results in a claim for the Holders for an amount in excess of USDC100,000, such as, but not limited to, a situation where the Issuer does not honour any other payment or delivery commitment under the Digital Bonds when it falls due in good time or without defects, unless those defects are remedied within 10 Business Days of notice of such breach being given to the Issuer by the Tokenizer or the Security Agent or (if earlier) the Issuer obtaining knowledge of such breach;

ii) **Defect in Security** the Security Agent does not have a valid, binding, security interest in the Collateral and such failure remains uncured for thirty (30) days after written notice of such failure to the Issuer;

iii) **Unsatisfied judgment** one or more judgments or orders for the payment of any amount in excess of USD1,000,000 (or its equivalent in any other currency or currencies), whether individually or in aggregate, is rendered against the Issuer by a court of competent jurisdiction and continue(s) unsatisfied and unstayed for a period of 30 days after the date(s) thereof or, if later, the date therein specified for payment;

iv) **Insolvency or winding up** the Issuer or the general account of Digital Bonds Ltd is subject to any form of winding up, administration, receivership, insolvency or debt enforcement proceedings, arrangements with creditors or similar proceedings under the laws of any jurisdiction;

v) **Insolvency or winding up proceedings** the institution by the Issuer or the general account of Digital Bonds Ltd of proceedings to have the Issuer or the general account of Digital Bonds Ltd adjudicated as bankrupt or insolvent, or the consent of the Issuer to the institution of bankruptcy or insolvency proceedings against the Issuer or the general account of Digital Bonds Ltd or the filing by the Issuer or the general account of Digital Bonds Ltd of a petition or answer or consent seeking reorganization or relief under applicable bankruptcy law or any other similar applicable law, or the consent by the Issuer or the general account of Digital Bonds Ltd to the filing of any such petition or to the appointment in a proceeding of a receiver, liquidator, assignee, trustee or sequestrator (or other similar official) of the Issuer or the general account of Digital Bonds Ltd or of any substantial part of its property, respectively, or the making by the Issuer or the general account of Digital Bonds Ltd of an assignment for the benefit of creditors, or the admission by the Issuer or the general account of Digital Bonds Ltd in writing of its inability to pay its debts generally as they become due, or the taking of any action by

the Issuer or the general account of Digital Bonds Ltd in furtherance of any such action, or the passing of a resolution by the shareholders of Digital Bonds Ltd. to have the Issuer or the general account of Digital Bonds Ltd wound up on a voluntary basis;

vi) **Violation of law** the Issuer or Digital Bonds Ltd is in violation of any applicable law or regulation and forced by a regulator to cease conducting its activity; or

vii) **Suspension or revocation of license** either of PV01 or Digital Bonds Ltd is in violation of the terms of the Class 'T' license issued to it by the Bermuda Markets Authority to operate a digital asset business pursuant to the Digital Asset Business Act 2018 of Bermuda and such license is revoked or suspended and/or either of Digital Bonds Ltd or PV01 is forced by the Bermuda Markets Authority to cease conducting its activity.

b) **Procedure upon occurrence of a Realization Event** Upon obtaining knowledge of the occurrence of a Realization Event, each of (i) the Issuer; and (ii) the Tokenizer shall immediately notify each other and the Security Agent and at the same time, the Issuer shall deliver a notice in writing to the Security Agent and a Notice to the Holders in accordance with Condition 39) (*Notices*) of the occurrence of such Realization Event (a "**Realization Event Notice**").

c) The Security Agent shall not be required to monitor for the occurrence of a Realization Event and absent any notice from the Issuer or the Tokenizer, shall be entitled to assume that no Realization Event has occurred.

d) The Tokenizer shall not be required to monitor for the occurrence of a Realization Event and absent any notice from the Issuer or actual knowledge of a director or officer of the Tokenizer, shall be entitled to assume that no Realization Event has occurred.

24) Enforcement

a) By acquiring the Digital Bonds, each Holder appoints (for itself and its Transferees) and each Transferee of the Digital Bonds (whether by acquiring a Digital Bond Token or a Bond Token Receipt) shall be deemed to appoint the Security Agent as its agent and to automatically instruct the Security Agent to enforce its rights under the Deed Poll (including these Conditions) and the Security Deed in accordance with the Holder Instructions when a Realization Event occurs.

b) **Acceleration** Upon the receipt of a Realization Event Notice (other than in relation to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*)), the Security Agent shall (in accordance with the Holder Instructions) declare, by a notice to the Issuer (a "**Notice of Acceleration**") the principal amount of all the Digital Bonds then in issue to be immediately due and payable and demand immediate payment by the Issuer of all amounts in respect of principal or otherwise in respect of the Digital Bonds, whereupon the Digital Bonds (if the Maturity Date has not already occurred) and all amounts in respect of principal or otherwise in

respect of the Digital Bonds shall become immediately due and payable (an "**Acceleration**") and the Issuer shall be required to redeem the Digital Bonds in full at their Acceleration Amount in accordance with Condition 17)h) (*Settlement - Settlement on Early Termination, Early Redemption or Acceleration of the Digital Bonds)* on such date as determined by the Issuer (the "**Acceleration Payment Date**"), which shall be no later than 10 Business Days following the date of the Notice of Acceleration.

c) For purposes of this Condition, "**Acceleration Amount**" shall mean the amount in USDC payable in respect of each Digital Bond upon any Acceleration, which shall be equal to the Amortised Face Amount (as defined in Condition 12)b)vi) (*Redemption– Early Termination – Issuer Call - Early Termination Amount*)) above) of such Digital Bond.

d) **Realization of Collateral**

i) Upon the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), all unpaid principal of all the Digital Bonds in issue, and any other amounts payable in respect of the Digital Bonds under these Conditions, the Deed Poll and the Security Deed, shall automatically become immediately due and payable and the Security shall automatically become enforceable without any declaration or other act on the part of the Security Agent, the Tokenizer or any Holder, and at the same time, the Issuer shall deliver a notice in writing to the Security Agent and a Notice to the Holders in accordance with Condition 39) (*Notices*) that the Security has become enforceable (a "**Security Enforcement Notice**");

ii) If a Realization Event other than a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred and within 10 Business Days of the related Realization Event Notice, such Realization Event is continuing and (if applicable) the Digital Bonds have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, the Issuer (or the Tokenizer on its behalf) shall promptly give written notice to the Security Agent and upon receipt of such notice from the Issuer (or the Tokenizer on its behalf), the Security Agent shall (in accordance with the Holder Instructions) deliver a notice to the Issuer declaring that the Security has become enforceable (an "**Enforcement Notice**"), whereupon the Security constituted by the Issuer pursuant to the Security Deed shall become immediately enforceable in accordance with the terms of the Security Deed and at the same time, the Issuer shall deliver a Security Enforcement Notice to the Holders.

e) Upon delivery of a Security Enforcement Notice or an Enforcement Notice, the Tokenizer shall execute the Pausing Function (as defined in Condition 28) (*Bond Smart Contract Functionalities*)) to prevent further transfers of the Digital Bond Tokens and the Vault Pausing Function (as defined in Condition

29) (*Bond Token Vault Smart Contract Functionalities*)) to prevent further transactions in the Bond Token Receipts.

f) Any attempt to effect a transfer or other transaction in the Digital Bond Tokens while the Pausing Function is operative will be rejected by the Bond Smart Contract. Likewise, any attempt to make a Bond Token Withdrawal or effect any other transaction in the Bond Token Receipts while the Vault Pausing Function is operative will be rejected by the Bond Token Vault Smart Contract.

g) **Realization Process** Upon the Security becoming enforceable in accordance with Condition 24)d) (*Enforcement - Realization of Collateral*), subject to the terms of the Deed Poll and the Security Deed, to the full extent permitted by applicable law, the Security Agent shall, in accordance with the Holder Instructions, exercise all of the following rights, privileges and remedies:

i) to take control over the Collateral Accounts pursuant to the Securities Account Control Agreement by delivering a Notice of Exclusive Control to the Custodian in accordance with the Securities Account Control Agreement notifying the Custodian that it shall no longer act on the instructions of the Issuer but on the instructions of the Security Agent in relation to the Collateral Accounts;

ii) provided there are at least 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities (as defined in the Security Deed)), to instruct the Custodian to liquidate the Underlying T-bills (and any other Collateral Securities) held in the Securities Collateral Account as quickly as possible and at the best price obtainable (acting in a commercially reasonable manner), upon which, in accordance with the Securities Account Control Agreement, the Custodian, acting on the Security Agent's instructions, shall execute the sale of the Underlying T-bills (and any other Collateral Securities) and deliver the net proceeds of such sale after deducting any transaction fees and any other unpaid fees, costs or expenses of the Custodian into the Cash Collateral Account; and

iii) if there are less than 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), the Security Agent shall not instruct their liquidation but shall hold them in the Securities Collateral Account until maturity and any amounts received on the scheduled maturity date of the Underlying T-bills (and any other Collateral Securities) shall be distributed by the Security Agent (or as instructed by it) in accordance with Condition 25) (*Realization Event Priority of Payments*).

25) Realization Event Priority of Payments Amounts realised (i) by the Issuer in connection with an Acceleration in accordance with Condition 24)b) (*Enforcement – Acceleration*); or (ii) by the Security Agent for settlement of liabilities arising in respect of the Digital Bonds following a Realization Event in accordance with Condition 24)g) (*Enforcement – Realization Process*) (in each case, net of any transaction fees and any unpaid fees, costs and expenses of the Broker and Custodian) are referred to as the "**USD Realization Proceeds**".

a) Following any Realization Event, the USD Realization Proceeds shall be distributed in the following order of priority:

i) *firstly*, to make payment in full of any due but unpaid taxes and/or governmental fees of the Issuer (as notified to the Security Agent by the Tokenizer);

ii) *secondly*, the Security Agent shall be entitled to receive payment in full of any outstanding amount of fees, costs and expenses and in respect of any outstanding claims (including any indemnities) it may have against the Issuer under the Security Deed or the Securities Account Control Agreement (including any fee claims and any other claims to the extent that any such claims have not already been satisfied);

iii) *thirdly*, each Holder shall be entitled to receive out of the remaining USD Realization Proceeds (the "**Net Realization Proceeds**"),

(1) in the case of a distribution by the Security Agent, payment on a *pro rata* and *pari passu* basis of an amount up to the nominal principal amount of each Digital Bond; or

(2) in the case of a distribution by the Issuer upon an Acceleration, payment on a *pro rata* and *pari passu* basis of an amount up to the Acceleration Amount (the "**Acceleration Payment Amount**");

iv) *fourthly*, each of the On-Off Ramper, each Wallet Provider, the Corporate Services Provider, the Share Trustee, the SAC Representative and the external legal advisers to the Issuer shall be entitled to receive payment, on a *pari passu* and *pro rata* basis of any Issuer Fees and Expenses remaining unpaid; and

v) *fifthly*, the surplus (if any) shall be paid to the Issuer.

26) Payment of Net Realization Proceeds upon Enforcement

a) The Bond Token Vault Smart Contract is not programmed to make any payments to Holders in possession of Digital Bond Tokens or Bond Token Receipts. Payment of the Net Realization Proceeds will be made via the Bond Smart Contract to the digital wallet addresses of Holders to which Digital Bond Tokens are credited. Any Realization Event Notice will include instructions for Receiptholders to contact the Tokenizer to make arrangements for the withdrawal of the Digital Bond Tokens represented thereby, to enable such Holders to receive payment of their shares of the Net Realization Proceeds in accordance with Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*). Each Receiptholder shall be required to execute an approval transaction authorizing the Tokenizer to 'spend' the Receiptholder's Bond Token Receipts. In accordance with such approval, the Tokenizer will execute an atomic transaction whereby the Bond Token Receipts of all such Receiptholders shall be sent to the Bond Token Vault and such Digital Bond Tokens shall simultaneously be delivered to the digital wallet addresses of the Receiptholders.

b) To receive payment of any Net Realization Proceeds, each Holder must have successfully completed all relevant Investor Screening procedures with the Tokenizer and any other identification procedures or checks required by the Issuer and/or the Security Agent or any Paying Agent (as defined in Condition 36) (*Paying Agent*) appointed by the Security Agent or by the Issuer and notified to the Security Agent, as the case may be (which procedures or checks may be performed by the Tokenizer on their behalf). The Security Agent, the Issuer or any Paying Agent may refuse to release any Net Realization Proceeds to a Holder and may refuse to transfer any Net Realization Proceeds to the USD account designated by such Holder if the Holder fails for any reason to satisfactorily (in the sole discretion of the Issuer, the Security Agent or Paying Agent) complete Investor Screening and any other identification procedures or checks required by the Issuer, the Security Agent or Paying Agent. In that event, the Tokenizer may also determine to add the digital wallet address of such Holder to the Digital Wallet Blacklist (as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)). The Security Agent shall refuse to make payment to any Holder whose digital wallet address is included on the Sanctions Blacklist or the Digital Wallet Blacklist.

c) The Security Agent shall (and shall be deemed to have been instructed by the Holders in accordance with the Holder Instructions to) distribute (or instruct the distribution of) the Net Realization Proceeds to the Holders, with discharging effect, by, any (or any combination) of the following methods, in accordance with instructions received by it from the Tokenizer *provided that* following the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall only be made in accordance with sub-paragraph 26)c)iv) below:

i) an on-chain payment in USDC via the Bond Smart Contract, by the Security Agent instructing:

(1) the Custodian to transfer the Net Realization Proceeds in USD from the Cash Collateral Account to the Issuer's fiat account with the On-Off Ramper;

(2) the Tokenizer (on the Issuer's behalf) to:

(a) instruct the On-Off Ramper to convert the amount of Net Realization Proceeds received in the Issuer's fiat account from USD to USDC and to credit the amount of such USDC to the Issuer's digital wallet with the On-Off Ramper;

(b) calculate the USDC amount payable in respect of each Digital Bond in accordance with Condition 25) (*Realization Event Priority of Payments*) (the "**USDC Smart Contract Realization Payment Amount**"), with any remainder to be subsequently applied in accordance with Condition 25)a)iv) (*Realization Event*

Priority of Payments) and Condition 25)a)v) (*Realization Event Priority of Payments*);

(c) transfer an amount in USDC sufficient to make payment of all USDC Smart Contract Realization Payment Amounts due to the Holders from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract; and

(d) issue a Notice in accordance with Condition 39) (*Notices*) notifying the Holders of the deposit of the aggregate USDC Smart Contract Realization Payment Amount payable into the Bond Smart Contract and instructing the Holders to submit their payment claims into the Bond Smart Contract by via the Pivio Platform or the Bond Smart Contract using a digital wallet address to which Digital Bond Tokens are credited during the period commencing upon the issuance of such notice and ending at 24:00 UTC three (3) Business Days thereafter (the "**USDC Smart Contract Realization Payment Window**"), which will trigger the Bond Smart Contract to automatically make payment of the USDC Smart Contract Realization Payment Amount due to such Holder to the digital wallet of such Holder and to simultaneously burn the Digital Bond Tokens of such Holder, effecting the cancellation of the Digital Bonds represented thereby; or

ii) an on-chain payment in USDC via the Issuer's digital wallet with Fireblocks, by the Security Agent instructing:

(1) the Custodian to transfer the Net Realization Proceeds in USD from the Cash Collateral Account to the Issuer's fiat account with the On-Off Ramper; and

(2) the Tokenizer (on the Issuer's behalf) to:

(a) instruct the On-Off Ramper to convert the amount of Net Realization Proceeds received in the Issuer's fiat account from USD to USDC and to transfer the amount of such USDC to the Issuer's digital wallet with Fireblocks;

(b) calculate the USDC amount payable in respect of each Digital Bond in accordance with Condition 25) (*Realization Event Priority of Payments*) (the "**USDC Realization Payment Amount**"), with any remainder to be subsequently applied in accordance with Condition 25)a)iv) (*Realization Event Priority of Payments*) and Condition 25)a)v) (*Realization Event Priority of Payments*);

(c) issue a Notice in accordance with Condition 39) (*Notices*) notifying the Holders of the USDC Realization Payment Amount and instructing each Holder to deliver the Digital Bond Tokens held by such Holder (on a free-of-payment basis) to the digital wallet address of the Issuer, into the Bond Smart Contract or as the Tokenizer may otherwise instruct; and

(d) upon receipt of the Digital Bond Tokens held by each Holder in the digital wallet of the Issuer or the Bond Smart Contract or as otherwise instructed by the Tokenizer (as the case may be), make payment of the USDC Realization Payment Amount due to such Holder by transfer from the Issuer's Fireblocks digital wallet to the digital wallet address of such Holder (and upon such payment being made, effecting the burning and cancellation of the Digital Bond Tokens of such Holder);

iii) an off-chain payment in USD via the Issuer, by the Security Agent instructing:

(1) the Custodian to transfer the Net Realization Proceeds from the Cash Collateral Account to the Issuer's fiat account with Bermuda Commercial Bank Limited ("**BCB**"); and

(2) the Tokenizer to:

(a) calculate the USD amount payable in respect of each Digital Bond in accordance with Condition 25) (*Realization Event Priority of Payments*), provided such amount shall be no greater than the USD equivalent of the outstanding USDC principal amount of each Digital Bond) (the "**USD Issuer Realization Payment Amount**") with any remainder to be subsequently applied in accordance with Condition 25)a)iv) (*Realization Event Priority of Payments*) and Condition 25)a)v) (*Realization Event Priority of Payments*);

(b) issue a Notice in accordance with Condition 39) (*Notices*) notifying the Holders of the USD Issuer Realization Payment Amount, instructing each Holder to deliver the Digital Bond Tokens held by such Holder (on a free-of-payment basis) to the digital wallet address of the Issuer, into the Bond Smart Contract or as the Tokenizer may otherwise instruct; and

(c) upon receipt of the Digital Bond Tokens held by each Holder in the digital wallet address of the Issuer or the Bond Smart Contract (or as otherwise instructed), make payment of the USD Issuer Realization Payment

Amount due to such Holder by transfer from the Issuer's fiat account with BCB (net of any fees payable in respect of such transfer, to the extent not pre-funded by the Issuer) to the USD account provided by such Holder to the Tokenizer for such purpose (and upon such payment being made, the Tokenizer shall effect the burning and cancellation of the Digital Bond Tokens of such Holder); or

iv) an off-chain payment in USD via the Security Agent or a Paying Agent by the Security Agent:

(1) instructing the Custodian to transfer the Net Realization Proceeds from the Cash Collateral Account to the fiat account of the Security Agent or of a Paying Agent;

(2) instructing the Tokenizer to calculate the amount payable in respect of each Digital Bond in accordance with Condition 25) (*Realization Event Priority of Payments*), provided such amount shall be no greater than the USD equivalent of the outstanding USDC principal amount of each Digital Bond (the "**USD Agent Realization Payment Amount**") with any remainder to be subsequently applied in accordance with Condition 25)a)iv) (*Realization Event Priority of Payments*) and Condition 25)a)v) (*Realization Event Priority of Payments*);

(3) instructing the Tokenizer to issue a Notice in accordance with Condition 39) (*Notices*) notifying the Holders of the USD Agent Realization Payment Amount, instructing each Holder to deliver the Digital Bond Tokens held by such Holder (on a free-of-payment basis) to the digital wallet address of the Issuer, into the Bond Smart Contract or as the Tokenizer may otherwise instruct; and

(4) upon receiving confirmation from the Tokenizer of receipt of the Digital Bond Tokens of each Holder in the Issuer's digital wallet or the Bond Smart Contract (or as otherwise instructed), making or instructing the Paying Agent to make, payment of the USD Agent Realization Payment Amount due to such Holder (net of any applicable transaction fees) via wire transfer of such amount in USD (net of any fees payable in respect of such transfer) to the USD bank account of such Holder provided to the Agent and communicated by the Tokenizer to the Security for such purpose (and upon such payment being made, notifying the Tokenizer so that the Tokenizer may effect the burning and cancellation of the Digital Bond Tokens of such Holder).

d) Only Holders having successfully completed Investor Screening and whose digital wallet addresses to which Digital Bond Tokens are credited have been included in the Digital Wallet Whitelist are able to claim payment of the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment

Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount (as applicable) from the Bond Smart Contract, the Issuer, the Security Agent or any Paying Agent (as applicable).

e) In the event of a Payment Claim Failure in connection with a payment of the Net Realization Proceeds in accordance with the provisions of Condition 26)c)i) (*Payment of Net Realization Proceeds upon Enforcement*) or Condition 26)c)ii) (*Payment of Net Realization Proceeds upon Enforcement*), the relevant Holder should follow the procedures outlined in Condition 21) (*Payment Claim Failure*).

f) Upon payment of the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount (as applicable) due to each Holder, the Digital Bond Tokens of such Holder will be burned, effecting the cancellation of the Digital Bonds held by such Holder.

g) Each Holder (represented at all times by the Security Agent) shall have a maximum claim against the Issuer amounting to the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount (as applicable) payable to such Holder. No interest or other additional amounts shall be paid to any Holder in respect of any late payment of the claim of such Holder which corresponds to the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount (as applicable).

h) No default interest shall be due to any Holder on the payment of the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount, nor shall the Issuer or Security Agent or any Paying Agent be liable to any Holder for any further loss or damages whatsoever or howsoever caused.

i) The payment by or on behalf of the Issuer of the USDC Smart Contract Realization Payment Amount, the USDC Realization Payment Amount, the USD Issuer Realization Payment Amount or the USD Agent Realization Payment Amount (as applicable) due to each Holder in USDC to the digital wallet of such Holder or in fiat currency to the USD bank account designated by such Holder (in each case net of all applicable fees in respect of such payment or transfer) shall fully and finally discharge that Holder's claim against the Issuer in respect of the Digital Bonds.

j) Any Paying Agent appointed by or on behalf of the Issuer shall be the agent of the Issuer and shall not act as agent for the Holders and shall not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders.

k) The Security Agent shall not be liable for any loss, damage, expense or inconvenience caused to or suffered by any Holder as a result of the distribution by or in accordance with instructions given by the Security Agent by any, or any combination of, the settlement methods set out in this Condition

26) (*Payment of Net Realization Proceeds upon Enforcement*) in accordance with the instructions received by it from the Tokenizer.

27)Taxation

a) Each Holder shall assume and be responsible for all taxes, duties, assessments, or governmental charges of whatever nature imposed on or levied, collected, withheld or assessed against (or which could be imposed on or levied against) such Holder in any jurisdiction or by or on behalf of any governmental or regulatory authority.

b) All payments under the Digital Bonds shall be made by or on behalf of the Issuer free and clear of and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected withheld or assessed by or on behalf of Bermuda, the United Kingdom, or any other relevant jurisdiction, or any political subdivision thereof or any authority therein or thereof having the power to tax, unless such withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer, the Security Agent and any Paying Agent shall have the right, but not the duty, to withhold or deduct from any amounts otherwise payable to the Holder such amount as the Issuer determines in its sole discretion is necessary for the payment of such taxes, duties, assessments and/or governmental charges. Holders shall not be entitled to receive additional amounts to compensate for any amounts so withheld or deducted.

28)Bond Smart Contract Functionalities

a) **Bond Smart Contract Updating** Neither the Issuer nor the Tokenizer shall have the ability to update the implementation of the Bond Smart Contract once the Bond Smart Contract has been deployed. Only certain non-immutable data in the Bond Smart Contract can be modified within predefined parameters, subject always to the Deed Poll (including these Conditions).

b) **Bond Smart Contract Functions** The Bond Smart Contract shall include the following functions, which are either pre-programmed to execute automatically or (as described below) may be executed by the Tokenizer on the Issuer's behalf:

   i) minting: the process of creating Digital Bond Tokens (the "**Minting Function**");

   ii) burning: the process of cancelling Digital Bond Tokens (the "**Burning Function**"); and

   iii) pausing: the temporary pausing of all transactions in the Digital Bond Tokens (the "**Pausing Function**"),

(together, the "**Bond Smart Contract Functions**").

c) **Exercise of Bond Smart Contract Functions** The Tokenizer shall have the exclusive ability to execute the Bond Smart Contract Functions on the Issuer's behalf (and following the occurrence of a Realization Event, shall do so solely

on the Security Agent's behalf), in all cases subject to the Deed Poll (including these Conditions) and the following additional limitations:

i) The Minting Function shall be exercised solely in accordance with Condition 7) (*Primary Issuance Process*);

ii) the Burning Function is triggered automatically upon successful submission of a payment claim by a Holder into the Bond Smart Contract, by the Bond Smart Contract sending the Digital Bond Tokens received from the Holder's digital wallet to the Ethereum universal burn address. The Burning Function may also be exercised or 'called' by the Tokenizer, solely with regard to Digital Bond Tokens which have been delivered by a Holder to the digital wallet of the Issuer or into the Bond Smart Contract, which may occur where an alternative means of settlement is employed:

(1) in connection with any Partial Early Redemption;

(2) in the event of a Payment Claim Failure or a Depeg Event; or

(3) in connection with the distribution of the Net Realization Proceeds following a Realization Event; and

iii) the Pausing Function shall be exercised solely in cases where:

(1) a Realization Event has occurred;

(2) the Tokenizer becomes aware of a technological issue preventing the Issuer or the Tokenizer from carrying out its role, including any monitoring in respect of the Digital Bond Tokens or otherwise preventing the proper functioning of the DLT or the Digital Bond Tokens; or

(3) a vulnerability is exposed, there is a hack attempt or another cyber-security issue arises, or otherwise where required to ensure the functionality of the DLT (such as in case of a Fork Event (as defined in Condition 32) (*Fork Event*)) or a Distributed Ledger Event in accordance with Condition 33) (*Distributed Ledger Event*),

and any exercise of the Pausing Function shall be limited to the time reasonably required (as determined by the Tokenizer in its discretion, acting commercially reasonably) to fulfil its purpose.

29) Bond Token Vault Smart Contract Functionalities

a) **Bond Token Vault Smart Contract Updating** The Tokenizer, as the Vault Owner, shall have the exclusive, limited ability to update the implementation of the Bond Token Vault Smart Contract once the Bond Token Vault Smart Contract has been deployed, subject always to the Deed Poll (including these Conditions). Certain non-immutable data in the Bond Token Vault Smart Contract can also be modified within predefined parameters. The Vault Owner has the ability, for example, to change the asset managed by the Bond Token

Vault at any time and will do so upon each Rollover Settlement to change the Vault Series from the Maturing Bonds to the Rollover Bonds. The Vault Owner also has the exclusive ability to add or remove a digital wallet address to or from the Digital Wallet Blacklist against which the Bond Token Vault Smart Contract screens all transactions in the Bond Token Receipts.

b) **Bond Token Vault Smart Contract Functions** The Bond Token Vault Smart Contract is designed in compliance with the Ethereum ERC-4626 Tokenize Vault specifications, which can be found at https://ethereum.org/en/developers/docs/standards/tokens/erc-4626/#introduction. The Bond Token Vault Smart Contract has all of the features prescribed by the ERC-4626 standard, as well as some additional functions, which, as described under Condition 29)c) (*Exercise of Bond Token Vault Smart Contract Functions*) below, are either pre-programmed to execute automatically or may be triggered by the Tokenizer as Vault Owner or by a Holder, including:

i) mint/deposit: the process of creating new Bond Token Receipts and delivering them to the digital wallet address of a Holder in exchange for the deposit of Digital Bond Tokens of the Vault Series (the "**Mint/Deposit Function**");

ii) redeem/withdraw: the process of delivering Digital Bond Tokens of the Vault Series to the digital wallet address of a Holder and simultaneously sending a corresponding number of Bond Token Receipts of such Holder to the Ethereum universal burn address (the "**Redeem/Withdraw Function**");

iii) transfer: the process of delivering Bond Token Receipts to another address on the DLT (the "**Transfer Function**");

iv) pause: the pausing of all transactions (deposits, withdrawals and transfers) in the Bond Token Receipts (the "**Vault Pausing Function**"); and

v) rollover: the process of sending Digital Bond Tokens of the Vault Series from the Bond Token Vault to the Rollover Bonds Smart Contract in exchange for the delivery of Digital Bond Tokens representing Rollover Bonds (the "**Rollover Function**");

(together, the "**Bond Token Vault Smart Contract Functions**").

c) **Exercise of Bond Token Vault Smart Contract Functions**

i) The Tokenizer as Vault Owner shall have the exclusive ability to execute the following Bond Token Vault Smart Contract Functions, in all cases subject to the Deed Poll (including the Conditions) and the limitations specified below:

(1) the Vault Pausing Function, which shall be exercised solely in cases where:

(a) the Automatic Rollover Subscription Option has been terminated in accordance with Condition 14) (*Termination of Automatic Rollover Subscription Option*);

(b) the Tokenizer becomes aware of a technological issue preventing the Issuer or the Tokenizer from carrying out its role, including any monitoring in respect of the Bond Token Receipts or otherwise preventing the proper functioning of the DLT, the Bond Token Vault or the Bond Token Receipts; or

(c) a vulnerability is exposed, there is a hack attempt or another cyber-security issue arises, or otherwise where required to ensure the functionality of the DLT (such as in case of a Fork Event (as defined in Condition 32) (*Fork Event*)) or a Distributed Ledger Event (as defined in Condition 33) (*Distributed Ledger Event*)),

and any exercise of the Vault Pausing Function shall be limited to the time reasonably required (as determined by the Tokenizer in its discretion, acting commercially reasonably) to fulfil its purpose; and

(2) the Rollover Function, which shall be triggered by the Tokenizer to effect each Rollover Settlement.

ii) The Mint/Deposit Function may be triggered at any time up to the Rollover Cut-Off Time only by a Holder of a Digital Bond Token representing Digital Bonds of the current Vault Series, by following the instructions on the Pivio Platform or by accessing the Bond Token Vault Smart Contract's address on the DLT.

iii) The Redeem/Withdraw Function may be triggered at any time up to the Rollover Cut-Off Time only by a Receiptholder in respect of the current Vault Series, by following the instructions on the Pivio Platform or by accessing the Bond Token Vault Smart Contract's address on the DLT.

iv) The Transfer Function may be triggered at any time up to the Rollover Cut-Off Time only by a Holder of a Bond Token Receipt, by accessing the Bond Token Vault Smart Contract's address on the DLT.

v) The Tokenizer as Vault Owner does not have the ability to trigger the Mint/Deposit Function, the Redeem/Withdraw Function or the Transfer Function of the Bond Token Vault Smart Contract at any time.

30) Prevention of Transfer

a) The Tokenizer, on behalf of the Issuer, may, at any time, cause that no Digital Bond Tokens and/or Bond Token Receipts may be transferred to a specific digital wallet and that all (but not some) of the Digital Bond Tokens and/or Bond Token Receipts credited to that specific digital wallet are prevented from

being transferred from that digital wallet to a different digital wallet, by adding such digital wallet's address to the Digital Wallet Blacklist (as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2) (*Sanctions*, *Transfer Restrictions and Eligibility Criteria*).

b) The Tokenizer shall exercise this capability solely with respect to a digital wallet:

i) which is or becomes known to the Tokenizer (through the Investor Screening process or otherwise) to be associated with a person or entity which is a Sanctions Target (as defined in Paragraph 3 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) or is included on the Sanctions Blacklist;

ii) in relation to which the person or entity having control over such digital wallet address fails to satisfactorily complete Investor Screening, including, without limitation, in circumstances where the Tokenizer knows or (in its discretion, acting reasonably) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime;

iii) which is identified by the Tokenizer as having been hacked;

iv) to which a Holder or Receiptholder no longer has access and the Tokenizer determines to provide for the payments relating to such Digital Bond Tokens to be made or for Digital Bond Tokens to be delivered or any payment relating to the Digital Bond Tokens represented by such Bond Token Receipts to be made in accordance with Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*);

v) to which the Tokenizer has determined that Digital Bond Tokens or Bond Token Receipts are or may be erroneously credited upon the occurrence of a Distributed Ledger Event (as defined in and in accordance with Condition 33) (*Distributed Ledger Event*)); or

vi) in relation to which a court, a regulator or other governmental authority of competent jurisdiction over the Tokenizer and/or the Issuer has requested or ordered the freezing of digital assets held in it or in relation to which, by the laws or regulations of any jurisdiction, the Tokenizer and/or the Issuer is compelled to prevent the transfer of the Digital Bond Tokens or Bond Token Receipts, in each case only where such action:

(1) does not result in a violation of applicable laws by the Tokenizer and the Issuer in the jurisdiction of its incorporation; and

(2) is exercised by the Tokenizer on behalf of the Issuer in compliance with the rules governing international legal and administrative assistance in the jurisdiction of its incorporation.

31) Verified Loss of Digital Bond Tokens or Bond Token Receipts

a) None of the Issuer, the Service Providers, or any other party shall be responsible for or have any liability in respect of any loss by a Holder or Receiptholder of access to or control over or the ability to operate the digital wallet in which such Holder or Receiptholder holds Digital Bond Tokens or Bond Token Receipts, whether due to loss of the private keys to such digital wallet address or otherwise, nor for any other loss by a Holder or Receiptholder of control over Digital Bond Tokens or Bond Token Receipts held by it for any reason, whether due to hacking, theft, cyber-attack, technical issues with the DLT or otherwise.

b) If a Holder or Receiptholder loses access to, control over or the ability to operate the digital wallet address in which such Holder holds Digital Bond Tokens or Bond Token Receipts, through loss of such Holder's or Receiptholder's private key or otherwise, or for any other reason has lost control over Digital Bond Tokens or Bond Token Receipts held by such Holder or Receiptholder, it will not be possible for such Holder or Receiptholder to submit a payment claim into the Bond Smart Contract or to arrange for direct settlement with the Issuer in respect of such Digital Bond Tokens or to make a Bond Token Withdrawal from the Bond Token Vault in respect of such Bond Token Receipts and there is nothing the Issuer, nor any Service Provider nor any other party can do to assist the Holder or Receiptholder to regain access to such digital wallet address and such Digital Bond Tokens or Bond Token Receipts cannot be replaced.

c) Such Holder or Receiptholder may, however:

   i) in respect of Digital Bond Tokens: following any Early Termination Date or Early Redemption Date, the Depeg Settlement Date, the Realization Payment Date or the Maturity Date, after closing of the relevant Payment Window and completion of Sweeping, contact the Tokenizer directly off-chain (via e-mail or the Pivio Platform) to inform the Tokenizer of such loss and to request that payment of amounts due in respect of the Digital Bonds represented by such Digital Bond Tokens be made to such Holder, notwithstanding the Holder's inability to re-deliver such Digital Bond Tokens; and

   ii) in respect of Bond Token Receipts: at any time prior to the Rollover Cut-Off Time, contact the Tokenizer directly off-chain (via e-mail or the Pivio Platform) to inform the Tokenizer of such loss and to request that the number of Digital Bond Tokens represented by such Bond Token Receipts be delivered to such Receiptholder or that payment in respect of the Digital Bonds represented by such number of Digital Bond Tokens be made to such Receiptholder, notwithstanding the Holder's inability to re-deliver such Bond Token Receipts.

d) In that circumstance, the Issuer may determine (in its sole discretion and subject to the provision of any requested indemnities) to take any action it considers appropriate in relation to the subject Digital Bond Tokens or Bond Token Receipts (including, without limitation, adding the digital wallet address to which such Digital Bond Tokens or Bond Token Receipts are or were credited

to the Digital Wallet Blacklist or exercising any other Bond Smart Contract Functions or Bond Token Vault Smart Contract Functions to ensure that no further dealings in such Digital Bond Tokens or Bond Token Receipts may occur). Subject to satisfactory completion of Investor Screening and provided that the Holder or Receiptholder is able to furnish credible (as determined by the Issuer in its sole and absolute discretion) evidence of such Holder's or Receiptholder's original possession (in accordance with these Conditions) of the Digital Bond Tokens or Bond Token Receipts and of the Holder's or Receiptholder's loss thereof (a "**Verified Loss**"), the Issuer shall use commercially reasonable efforts to verify the Holder's or Receiptholder's loss and to locate such Digital Bond Tokens or Bond Token Receipts (for which purpose the Issuer shall be entitled to refer to the record of transactions in the Digital Bond Tokens and Bond Token Receipts on the DLT with reference to such blockchain explorer and analytics platform and any other evidence of transactions in the Digital Bond Tokens and Bond Token Receipts as the Issuer may determine in its absolute discretion).

e) If the Issuer has been able to locate the Digital Bond Tokens or Bond Token Receipts and is satisfied, in its absolute discretion: (i) in the case of Digital Bond Tokens, that no other Holder or person has made or may make a claim for payment in respect of the Digital Bonds represented by such Digital Bond Tokens, or (ii) in the case of Bond Token Receipts, that no other Receiptholder or person has made or may make a Bond Token Withdrawal in respect of Digital Bond Tokens represented by such Bond Token Receipts, the Issuer may accept such Holder's or Receiptholder's claim and (i) in the case of Digital Bond Tokens, arrange for payment to be made to such Holder of any amount due in respect of the Digital Bonds represented thereby in such manner and in such currency (fiat or crypto) as the Issuer shall determine in its absolute discretion, with any costs associated with such settlement being at the expense of the Holder; or (ii) in the case of Bond Token Receipts, arrange for the number of Digital Bond Tokens represented by such Bond Token Receipts to be delivered to the Receiptholder or for payment in respect of the number of Digital Bonds represented thereby to be delivered to such Receiptholder in such manner as the Issuer shall determine, with any costs associated with such delivery or payment being at the expense of the Receiptholder. Prior to any such payment or delivery being made to the Holder or Receiptholder by or on behalf of the Issuer, the Issuer shall be entitled to add the digital wallet address of such Holder or Receiptholder to the Digital Wallet Blacklist (as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to ensure that no further dealings in the Digital Bond Tokens or Bond Token Receipts may occur. Upon any such payment being made, the Issuer's obligations in respect of the Digital Bonds represented by such Digital Bond Tokens shall be fully and finally discharged.

f) Under no circumstances shall the Issuer, the Tokenizer or the Security Agent be liable for any determination made by the Issuer in accordance with this Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*), nor shall the Issuer, the Tokenizer or the Security Agent be required to investigate or assess the legitimacy of any transfer of Digital Bond Tokens or Bond Token Receipts.

32)Fork Event

a) **Interpretation** For purposes of this Condition,

"**Fork**" means (i) a radical, irreversible and irreconcilable modification to a blockchain network's protocol that makes previously invalid blocks and transactions valid, or vice-versa, or (ii) any other modification of the protocol relating to a blockchain network (including any such modification which is made for the purpose of adding new features to such protocol), which, in each case results in two or more branches of the blockchain such that, from a certain block onwards, the blockchain is followed by two or more parallel and non-identical blocks, each generating a separated continuum of the original blockchain, possibly becoming the dominant version and thus obliviating all transactions recorded on the other possible chains, and may consist of a Hard Fork or a Soft Fork;

"**Soft Fork**" means a Fork whereby only one blockchain remains valid and users adopt the update;

"**Hard Fork**" means a Fork whereby the nodes of the newest version of the blockchain no longer accept the older version(s) of the blockchain, creating a permanent divergence from the previous version of the blockchain and resulting in two or more versions of the blockchain existing side by side; and

A "**Fork Event**" occurs when a Soft Fork or a Hard Fork occurs in the DLT used by the Issuer for the Digital Bonds.

b) **Rights upon Occurrence of a Fork Event** If at any time the Issuer determines that a Fork Event has occurred, the Issuer, in its sole discretion and without the need to consult with the Holders or obtain the Holders' approval, may (but shall not be obliged to):

i) execute the Pausing Function in the Bond Smart Contract and/or the Vault Pausing Function in the Bond Token Vault Smart Contract to prevent any further transactions in the Digital Bond Tokens and/or the Bond Token Receipts during such period of time (as notified to the Holders in a Notice provided in accordance with Condition 39) (*Notices*) as the Issuer considers to be reasonably necessary in order for the Fork Event to be resolved or for an authoritative chain to be identified;

ii) in the case of a Soft Fork, determine whether to participate in the Fork, such that the Bond Smart Contract and/or the Bond Token Vault Smart Contract shall continue to operate on the updated blockchain. Unless otherwise advised by the Tokenizer, the Issuer will follow the determination made by Circle (as the mint issuer of USDC) in this regard;

iii) in the case of a Hard Fork, determine which (if either) of the Fork's resulting chains will be recognized and on which chain the Bond Smart Contract and/or the Bond Token Vault Smart Contract will continue to operate, and permanently pause the Bond Smart Contract and/or the Bond Token Vault Smart Contract on the non-recognized chain or

chains. Unless otherwise advised by the Tokenizer, the Issuer will recognize the chain defined by Circle (as the mint issuer of USDC) as the authoritative chain; and/or

iv) determine that the Fork Event shall be treated as a Distributed Ledger Event, in which case the provisions of Condition 33) (*Distributed Ledger Event*) shall apply.

c) The Issuer is not obliged to assess every Fork or event resulting in a Fork or to notify the Holders of any Fork or event resulting in a Fork.

d) If the Issuer determines that a Fork Event has occurred following the occurrence of a Realization Event, the Tokenizer shall instruct the Security Agent to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26)c)iii) (*Payment of Net Realization Proceeds upon Enforcement*) provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*).

e) Any decisions taken by the Issuer (or by the Tokenizer on its behalf) in the case of a Fork Event, shall be notified, or caused to be notified, as soon as reasonably practicable to the Holders in accordance with Condition 39) (*Notices*).

f) None of the Issuer, the Tokenizer or the Security Agent shall have any liability to the Holders with respect to any loss suffered as a result of a Fork Event or any action or decision taken by the Issuer or the Tokenizer in connection with a Fork Event (or any failure by the Issuer or the Tokenizer to take any such action or decision), including, for the avoidance of doubt any loss of possession of or control over Digital Bond Tokens or Bond Token Receipts. If a Holder loses possession of or control over the Digital Bond Tokens or Bond Token Receipts held by it as a result of a Fork Event, such Holder may follow the procedure outlined in Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*).

33) Distributed Ledger Event

a) **Interpretation** For purposes of this Condition,

"**Distributed Ledger Event**" means (i) a Network Incident; (ii) a Smart Contract Vulnerability; or (iii) at the Issuer's discretion, a Fork Event;

"**Network Incident**" means any event or circumstance (including, without limitation, a failure in or disruption of the DLT) that, as determined by the Issuer or, following the occurrence of a Realization Event, the Security Agent, impairs the proper or timely functioning of the DLT, including with regards to any peer-to-peer network functionality or processing and/or validating one or more transactions on the DLT; and

"**Smart Contract Vulnerability**" means, as determined by the Issuer or, following the occurrence of a Realization Event, the Security Agent, a bug,

exploit, vulnerability, hacking or other dysfunction in the computer code that represents either or both the Bond Smart Contract or the Bond Token Vault Smart Contract.

b) **Rights upon Occurrence of a Distributed Ledger Event** If the Issuer in its sole discretion, acting commercially reasonably, determines that a Distributed Ledger Event has occurred and is continuing, the Issuer shall be authorized to:

i) if the Issuer in its discretion considers that the Distributed Ledger Event may be resolved prior to the Maturity Date, execute the Pausing function of the Bond Smart Contract and/or the Vault Pausing Function in the Bond Token Vault Smart Contract to prevent further transactions in the Digital Bond Tokens and/or the Bond Token Receipts during such period of time as the Issuer considers to be reasonably necessary in order for the Distributed Ledger Event to be resolved (the "**Pause Period**") and as the Issuer shall notify to the Holders in a Notice in accordance with Condition 39) (*Notices*); and/or

ii) if the Issuer in its discretion considers that the Distributed Ledger Event may not be resolved prior to the Maturity Date, or if, by the expiry of the Pause Period, the Distributed Ledger Event has not been resolved, the Issuer shall have the right to:

(1) add any digital wallet address to which it determines that Digital Bond Tokens or Bond Token Receipts are or may be erroneously credited (by reference to the last available record on the DLT at the start of the Pause Period as shown on Etherscan or such other block explorer and analytics program as determined by the Issuer in its discretion) to the Digital Wallet Blacklist (as defined in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*)) to prevent any further dealings in such Digital Bond Tokens or Bond Token Receipts. Any Holder who, as a result of such action loses control over or possession of the Digital Bond Tokens or Bond Token Receipts held by it may follow the procedure in Condition 31) (*Verified Loss of Digital Bond Tokens or Bond Token Receipts*); and/or

(2) maintain the Pausing of the Bond Smart Contract and/or the Bond Token Vault Smart Contract and treat such Distributed Ledger Event as a Termination Event, in which case the Issuer shall terminate the Digital Bonds in accordance with Condition 12)b) (*Redemption - Early Termination - Issuer Call*). The Issuer shall deliver a notice of such decision to the Holders in accordance with Condition 39) (*Notices*).

c) If the Issuer determines that a Distributed Ledger Event has occurred following the occurrence of a Realization Event, the Tokenizer shall instruct the Security Agent to distribute the Net Realization Proceeds off-chain in USD in accordance with sub-paragraph 26)c)iii) (*Payment of Net Realization Proceeds*) provided that, if a Realization Event specified in Condition 23)a)iv)(*Realization Event –*

Insolvency or Winding Up) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*).

34)Depeg Event

a) **Interpretation** For purposes of these Conditions:

"**Depeg Event**" refers at any time, to the de-pegging, for any reason of the USD Coin stablecoin's value from the value of the U.S. dollar, with the result that (i) the trading value of 1.00 USD Coin deviates significantly upward or downward from the value of 1.00 USD; and/or (ii) the issuers of USD Coin (Circle and Coinbase) are not at that time redeeming USDC 1:1 against USD; and/or (iii) the Issuer is unable at that time to exchange USD for USD Coin on a 1:1 basis with the On-Off Ramper.

"**Depeg Settlement Amount**" means, the Replacement Settlement Currency Amount, the USD Depeg Settlement Amount or the USDC Depeg Settlement Amount, as applicable.

b) **Rights upon occurrence of a Depeg Event** If the Issuer in its discretion, acting reasonably, determines that a Depeg Event has occurred and is continuing (or is expected to be continuing) on any Business Day relevant for any payment scheduled to be made to the Holders in respect of the Digital Bonds, the Issuer shall have the right, in its sole discretion, acting in a commercially reasonable manner, to take any (or none) of the following actions:

i) if the Issuer considers that the Depeg Event may correct itself, the Issuer may, by a Notice to the Holders in accordance with Condition 39) (*Notices*), (a "**Depeg Event Notice**") postpone any Early Termination Date, Early Redemption Date or the Maturity Date to such date not exceeding 10 Business Days following the otherwise anticipated payment date as the Issuer may specify in such Depeg Event Notice (the "**Depeg Settlement Date**"), during which period the Issuer shall observe the trading value of USDC relative to USD to determine whether the Depeg Event corrects itself and the USDC peg to the USD is substantially restored;

ii) if the Issuer in its discretion, acting commercially reasonably, determines that a Depeg Event has occurred and is not likely to correct itself within a reasonable period of time or, following the issuance of a Depeg Event Notice, the Depeg Event has not corrected itself by the second (2nd) Business Day prior to the Depeg Settlement Date, the Issuer shall have the right, by a Notice in accordance with Condition 39) (*Notices)* (a "**Replacement Settlement Currency Notice**"), to substitute another USD-pegged stablecoin which has not been affected by the factors giving rise to the occurrence of the relevant Depeg Event and which is otherwise suitable to be substituted in place of USDC, as the Settlement Currency for the Digital Bonds (the "**Replacement Settlement Currency**");

iii) if the Issuer issues a Replacement Settlement Currency Notice:

(1) the Issuer shall, prior to the scheduled payment date or the Depeg Settlement Date (as applicable), instruct and/or authorise, as applicable:

(a) the Custodian to deduct and retain from the Collateral Proceeds or Liquidation Proceeds (as applicable) in the Cash Collateral Account any amount due to the Broker or the Custodian in respect of unpaid fees, costs and expenses; and

(b) the Custodian to transfer the remaining Collateral Proceeds or Liquidation Proceeds (as applicable) from the Cash Collateral Account to the Issuer's fiat account with the On-Off Ramper;

(2) the Issuer shall then calculate the amounts payable in accordance with paragraphs (i) to (iii) of Condition 16)a) (*Pre-Enforcement Priorities of Payments*) or paragraphs (i) to (iii) of Condition 16)b) (*Pre-enforcement Priorities of Payments*) (as applicable) and, as soon as reasonably practicable, procure the payment of those amounts to the relevant recipients (the remaining proceeds, the "**USD Net Collateral Proceeds**" or the "**USD Net Liquidation Proceeds**");

(3) the Issuer shall then instruct: the On-Off Ramper to convert the USD Net Collateral Proceeds or USD Net Liquidation Proceeds (as applicable) into the Replacement Settlement Currency and credit the amount of such Replacement Settlement Currency (such amount in the Replacement Settlement Currency, the "**Replacement Settlement Currency Proceeds**") to the Issuer's digital wallet with the On-Off Ramper;

(4) on the Depeg Settlement Date, the Issuer shall:

(a) calculate the pro rata amount payable in the Replacement Currency in respect of each Digital Bond (the "**Replacement Settlement Currency Amount**") which amount shall be equal to the Net Replacement Settlement Currency Proceeds, divided by the number of Digital Bonds outstanding; and

(b) make payment of an amount in the Replacement Settlement Currency sufficient to make payment of the Replacement Settlement Currency Amount to all Holders from the Issuer's digital wallet with the On-Off Ramper into the Bond Smart Contract, notify the Holders of the Replacement Settlement Currency Amount and instruct the Holders to submit their payment claims into the Bond Smart Contract during the period commencing upon the issuance of such

Notice and ending at 24:00 UTC three (3) Business Days later (the "**Replacement Currency Settlement Window**").

(5) The amount payable to each Holder shall be determined upon the basis of the Replacement Settlement Currency Amount and the number of Digital Bonds held by such Holder. Upon submission by each Holder of its payment claim for the Replacement Settlement Currency Amount into the Bond Smart Contract, such Holder will automatically (atomically) receive payment from the Bond Smart Contract of the Replacement Settlement Currency Amount due to the Holder by delivery of such amount in the Replacement Settlement Currency to the digital wallet address of such Holder and the Digital Bond Tokens of such Holder will be sent by the Bond Smart Contract to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens.

(6) If settlement in the Replacement Settlement Currency is not technically feasible via the Bond Smart Contract, the Issuer shall issue a Notice to the Holders providing instructions for an alternative settlement process, which may include (without limitation) an on-chain payment in the Replacement Settlement Currency to the digital wallet address of the Holder against delivery by each Holder of the Digital Bond Tokens held by it to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer;

iv) if the Issuer determines that there is no alternative USD-pegged stablecoin which has not been affected by the factors giving rise to the occurrence of the relevant Depeg Event and which is otherwise suitable to be substituted for USDC as the Settlement Currency, the Issuer may, by a Notice to the Holders (a "**USD Depeg Settlement Notice**"), determine to settle the Digital Bonds off-chain in USD, in which event the Issuer shall:

(1) either:

(a) retain the Net Collateral Proceeds or Net Liquidation Proceeds (as the case may be) in the Issuer's fiat account with the On-Off Ramper; or

(b) transfer the Net Collateral Proceeds or Net Liquidation Proceeds (as the case may be) from the Issuer's account with the On-Off Ramper directly to the Issuer's USD fiat account with BCB;

(2) calculate the USD amount payable per Digital Bond (the "**USD Depeg Settlement Amount**"), which amount shall be equal to the amount of the Net Liquidation Proceeds or Net

Collateral Proceeds (as applicable) divided by the number of Digital Bonds outstanding; and

(3) issue a Notice informing the Holders of such determination, of the USD Depeg Settlement Amount and inviting each Holder to contact the Tokenizer to arrange for payment, in respect of each Digital Bond held by such Holder, of the USD Depeg Settlement Amount to be made from the Issuer's fiat account with the On-Off Ramper or the Issuer's USD fiat account with BCB (as applicable) to the USD fiat account of such Holder, in each case against free-of-payment delivery of the Digital Bond Tokens held by such Holder to the digital wallet address of the Issuer, into the Bond Smart Contract or as otherwise instructed by the Tokenizer.

v) Upon payment being made to each Holder, the Digital Bond Tokens received from such Holder in the digital wallet of the Issuer, the Bond Smart Contract or as otherwise instructed by the Tokenizer will be sent to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens.

vi) If the Issuer determines that settlement off-chain in USD is not practicable, the Issuer may, by a Notice to the Holders (a "**USDC Depeg Settlement Notice**"), determine to settle the Digital Bonds in USDC on the scheduled payment date or the Depeg Settlement Date (as the case may be), in which event the Issuer shall:

(1) prior to the scheduled payment date or Depeg Settlement Date (as the case may be), authorise or instruct:

(a) the Custodian to transfer the USD Net Collateral Proceeds or USD Net Liquidation Proceeds (as the case may be) from the Cash Collateral Account to the Issuer's fiat wallet with the On-Off Ramper;

(b) the On-Off Ramper to convert the remaining USD Net Collateral Proceeds or USD Net Liquidation Proceeds (as the case may be) into USDC and credit such USDC to the Issuer's digital wallet with the On-Off Ramper (such amount in USDC, the "**USDC Depeg Settlement Proceeds**");

(2) on the scheduled payment date or Depeg Settlement Date:

(a) calculate the pro rata amount in USDC payable per Digital Bond which amount shall be equal to the USDC Depeg Settlement Proceeds, divided by the number of Digital Bonds outstanding (the "**USDC Depeg Settlement Amount**"); and

(b) deposit an amount in USDC sufficient to make payment of the USDC Depeg Settlement Amount to all Holders from the Issuer's digital wallet with the On-

Off Ramper into the Bond Smart Contract, notify the Holders of such payment and of the USDC Depeg Settlement Amount, and issue a notice to the Holders instructing each Holder to submit its payment claim into the Bond Smart Contract during the period beginning upon the issuance of such notice on the Depeg Settlement Date and ending at 24:00 UTC three (3) Business Days later (the "**Depeg Settlement Window**");

(3) the amount payable to each Holder shall be calculated by the Tokenizer by multiplying the USDC Depeg Settlement Amount by the number of Digital Bonds held by such Holder. Upon submission by each Holder of its payment claim for the USDC Depeg Settlement Amount into the Bond Smart Contract, the Holder will automatically (atomically) receive payment from the Bond Smart Contract of the USDC Depeg Settlement Amount due to such Holder by delivery of such amount in USDC to the digital wallet address of such Holder and the Digital Bond Tokens of such Holder will be sent by the Bond Smart Contract to the Ethereum universal burn address, effecting the cancellation of the Digital Bonds represented by such Digital Bond Tokens; or

vii) If the Issuer has issued a Depeg Event Notice postponing the Maturity Date, a Replacement Settlement Currency Notice, a USD Depeg Settlement Notice or a USDC Depeg Settlement Notice, the Issuer shall have the right to terminate the Automatic Rollover Subscription Option, in which event the Issuer shall inform the Holders of such determination in such Notice and there shall not be a Rollover of the Digital Bonds represented by Digital Bond Tokens in the Bond Token Vault on their scheduled Maturity Date. Holders of Bond Token Receipts will be required to make a Bond Token Withdrawal to obtain the Digital Bond Tokens represented by such Bond Token Receipts and submit their payment claims in respect of the Digital Bonds represented thereby as instructed in such Depeg Event Notice.

viii) If the Tokenizer determines that a Depeg Event has occurred following the occurrence of a Realization Event, the Tokenizer shall instruct the Security Agent to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*) provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*).

c) None of the Issuer, the Security Agent or the Tokenizer shall be responsible for any loss suffered by a Holder as a result of a Depeg Event or any decision, determination or calculation taken or made or any discretion exercised by or on behalf of the Issuer or the Security Agent in connection therewith.

d) No interest or other amount shall be payable to any Holder in respect of the late payment of amounts in respect of the Digital Bonds as a result of any postponement of the Maturity Date, Early Termination Date or Early Redemption Date or otherwise following the issuance of a Depeg Event Notice.

35)On-Off Ramper

a) The Issuer may utilize the services of the On-Off Ramper and any additional On-Off Ramper(s) to provide fiat-to-crypto and crypto-to-fiat currency conversions and transfers for the Digital Bonds from time to time, provided the Issuer shall ensure that there will always be at least one On-Off Ramper for so long as the Digital Bonds are outstanding.

b) Any On-Off Ramper acts solely on an arm's length basis and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders.

36)Paying Agent

a) For the purpose of making any payment to the Holders in accordance with these Conditions off-chain in USD, the Issuer or the Security Agent shall be entitled to appoint a third party to act as a paying agent (each, a "**Paying Agent**"). In the case of any distribution of Realization Proceeds, the fees of any Paying Agent shall be payable out of the Net Realization Proceeds (and thus borne *pro rata* by the Holders) and the Security Agent shall be permitted to deduct the amount of such fees and expenses from the Net Realization Proceeds prior to instructing the Custodian to transfer the Net Realization Proceeds from the Cash Collateral Account to the account of the Paying Agent.

b) Each Holder shall be responsible for the costs and expenses incurred by the Security Agent or the Paying Agent in the transfer of amounts to the Holder's designated fiat account. Each Holder agrees that the Security Agent or the Paying Agent may deduct such costs and expenses from the amount being transferred to the Holder and that, as a consequence of such deduction, the Holder may receive less than the amount due to such Holder and such payment shall fully discharge the Issuer's obligations to such Holder, notwithstanding any shortfall caused by such deductions.

c) None of the Issuer, the Security Agent or any Paying Agent will be required to make payment to any USD fiat account designated by a Holder which is located or maintained within the United States and the Issuer (or the Security Agent or any Paying Agent on the Issuer's behalf) may refuse to make payment to any Holder who fails to provide a bank account which is not located and maintained outside the United States.

37)Calculation Services; Tokenizer Role

a) The Tokenizer (on behalf of the Issuer or, following the occurrence of a Realization Event, on behalf of the Security Agent) will carry out all calculations required under these Conditions, including selecting the relevant rates of exchange to be used for purposes of any required currency conversions.

b) All calculations, decisions and determinations made and any other actions taken by the Tokenizer on behalf of the Issuer (or, following the occurrence of a Realization Event, the Security Agent) in accordance with these Conditions shall be made or taken by it acting in a commercially reasonable manner and (save in the case of manifest error or wilful misconduct) shall be final and binding on the Holders. In this regard, the Tokenizer may delegate any of its obligations and functions to a third party, as it deems appropriate.

c) Any Notices (as defined in Condition 39) (*Notices*) required to be delivered by the Issuer in accordance with these Conditions shall be delivered by the Tokenizer on the Issuer's behalf.

d) In performing its role, the Tokenizer does not act as agent for the Holders and does not assume any obligation or duty to, or any relationship of agency or trust for or with, the Holders.

e) Where the Security Agent is unable to take any action in relation to the Collateral or the enforcement of the Security due to a lack of instructions from the Holders in the Holder Instructions and is required to act solely in accordance with instructions provided to it by the Tokenizer, the Tokenizer shall not be obliged to give any such instructions, to consult with or seek further instructions from the Holders and may, but shall not be obliged to, seek the advice of counsel. The Tokenizer shall not act as an agent or representative of the Holders, nor shall it owe any duties (fiduciary or other) to the Holders when giving any such instructions to the Security Agent, nor will the Tokenizer be liable to the Holders (in the absence of its own fraud or wilful misconduct) for any losses suffered as a result of any instructions given or for any failure by the Tokenizer to give any instructions to the Security Agent in connection with the enforcement of the Security or the realization of the Collateral, other than those instructions which are expressly contemplated to be given by it under the Conditions and the Security Deed.

38)Security Agent

a) For purposes of this Condition, "**Security Agent**" refers to the Security Agent and any successor Security Agent of such Security Agent.

b) The Issuer may at any time vary or terminate the appointment of the Security Agent only with the Security Agent's and the Tokenizer's approval and in accordance with the provisions of the Security Deed, provided that there shall at all times be a Security Agent that is a corporate entity duly authorized under its constitutive documents and any applicable laws and regulations to act as a trustee and to perform the obligations set out in the Security Deed and the Securities Account Control Agreement. The Issuer shall give notice to the Holders of any modification of the appointment of the Security Agent in accordance with Condition 39) (*Notices*).

c) The Security Agent may, in accordance with the provisions of the Security Deed, delegate any of its obligations and functions to a third party, as it deems appropriate. Pursuant to the Security Deed and in accordance with these Conditions, the Security Agent shall be entitled to satisfy its claims against the Issuer under the Security Deed (including in respect of its fees, costs and expenses, which may include, without limitation, extraordinary realization and

distribution costs incurred in connection with the Digital Bonds and/or the Collateral) from the Liquidation Proceeds, Collateral Proceeds or Realization Proceeds, before any payments are made to the Holders.

d) The Security Agent's duties under the Deed Poll (including these Conditions), the Security Deed and the Securities Account Control Agreement are solely mechanical and administrative in nature and the Security Agent does not owe any duties of a fiduciary nature to the Holders or any other person, regardless of whether a Realization Event has occurred and is continuing, nor is the Security Agent in any way responsible for the performance of any of the duties, responsibilities or liabilities of the Issuer.

e) The Security Agent will not be required to exercise any right or take any step or action that is not specifically and expressly set out in the Holder Instructions and it has been indemnified and/or secured and/or prefunded to its satisfaction and/or had money paid to it on account.

f) The Security Agent will not be required to accept any instructions to deviate from the Holder Instructions unless directed by a court order.

g) The Security Agent shall not be liable for acting or omitting to act in reliance upon any Holder Instructions and shall not be liable for refraining from any action not included in the Holder Instructions.

h) The Security Agent shall not be required to:

    i) exercise any right, take any step or action or make any determination contemplated under these Conditions or any of the Transaction Documents to be exercised, taken or made by it on the basis of instructions and/or information provided to it by the Issuer or the Tokenizer until such time as the Issuer or the Tokenizer has provided such instructions and/or information; or

    ii) exercise any right, take any step or action or make any determination which requires the performance of any action or the making of any determination contemplated under these Conditions or any of the Transaction Documents to be performed or made by the Issuer or the Tokenizer until such time as the Issuer or the Tokenizer has performed such action or made such determination,

and the Security Agent shall not be liable for any failure to exercise any such right, to take any such step or action or to make any such determination, nor for any delay in exercising any such right, taking any such action or making any such determination due to the failure by the Issuer or the Tokenizer to timely provide any such instructions and/or information, perform any such action or make any such determination.

i) The liability of the Security Agent is limited to gross negligence or wilful default, in the absence of which the Security Agent shall not be liable to the Issuer, the Arranger, the Tokenizer, the Holders or any other party for any loss, expense or liability:

i) relating to the enforcement of, or any failure to enforce or delay in enforcing, the Security;

ii) relating to an exercise of, or any failure to exercise or delay in exercising rights under the Security Deed; or

iii) arising in any other way in connection with, the Security Deed or these Conditions.

j) The Issuer has undertaken to the Security Agent that it shall indemnify the Security Agent, each Delegate (as defined in the Security Deed), and their respective employees, directors, officers and agents (each, an "**Indemnified Party**") against all claims, liabilities, costs, expenses, damages and losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of reputation and all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses (together, "**Losses**") suffered or incurred by any of them arising out of or in connection with:

i) the performance of its duties (in any of its capacities) under the Security Deed, the Deed Poll (including the Conditions) or under the Securities Account Control Agreement;

ii) the exercise or purported exercise of any of the rights, powers, authorities or discretions vested in them under the Security Deed or by law in respect of the Collateral;

iii) the taking, holding, protecting, preserving, releasing or enforcing (or attempting to do so) the Security; or

iv) any default or delay by the Issuer in performing any of its obligations under the Security Deed,

in each case other than to the extent that any such Losses have resulted from the gross negligence or wilful default of such Indemnified Party.

39)Notices

a) Any notices to be delivered to the Holders in accordance with these Conditions (each a "**Notice**") will be published by the Tokenizer on behalf of the Issuer or, following the occurrence of a Realization Event, by the Tokenizer on behalf of the Security Agent (itself acting in accordance with the Holder Instructions, on the Pivio Platform: www.pv0.one. Notices will only be published in the English language. In addition to publication on the Pivio Platform, Notices may also, at the discretion of the Tokenizer (acting on behalf of the Issuer or the Security Agent), be published in newspapers, on a third-party website or otherwise.

b) Notices published on the Pivio Platform shall be deemed to have been sufficiently brought to the attention and knowledge of Holders for the purpose of these Conditions and to have been understood and accepted by the Holders and shall be deemed to have been given on the date and time (UTC) on which they are published on the Pivio Platform.

c) The Issuer or the Security Agent may also elect (but shall not be obliged) to deliver a copy of any Notice via electronic mail to the address provided to the Tokenizer by any Holder which has completed Investor Screening procedures with the Tokenizer in accordance with Condition 5) (*Investor Screening*). Subject to compliance with the Tokenizer's internal privacy and data protection policies, the Tokenizer shall share any such address provided to it by any Holder with the Security Agent upon the Security Agent's request. Each Holder, by acquiring any Digital Bonds shall be deemed to consent to the Issuer (or the Tokenizer on its behalf) sharing such Holder's personal information (including the Holder's name, email address, physical address and telephone number) with the Security Agent.

40) Limited Recourse

a) The liability of the Issuer in respect of the Digital Bonds from time to time and at any time shall be limited to the proceeds received or realised by it (or by the Security Agent) in respect of the Collateral at such time. If (for any reason) such amounts are insufficient to satisfy all claims of the Holders in respect of the Digital Bonds, the obligations of the Issuer under the Digital Bonds shall be reduced accordingly, and any remaining claims of the Holders against the Issuer in respect of the Digital Bonds shall be permanently extinguished.

b) The Security Agent having realized the Collateral, no person (including any Holder or any person acting on their behalf) shall be entitled to take any further steps against the Issuer to recover any further sums and no debt shall be owed by the Issuer to any such person in respect of any such further sum.

41) Non-Petition

None of the Security Agent, the Holders (nor any other person acting on behalf of any of them) shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, administration, moratorium, reorganization, controlled management, arrangement, insolvency, examinership, winding-up or liquidation proceedings or similar insolvency proceedings under any applicable bankruptcy or similar law in connection with any obligation of the Issuer in respect of the Digital Bonds whether under the Deed Poll (incorporating these Conditions), the Security Deed or otherwise, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceeding to obtain a declaration or judgment as to the obligations of the Issuer. Nor shall any such party have recourse against any director, shareholder, or officer of the Issuer in respect of any such obligations, except to the extent that any such person acts in bad faith or is grossly negligent in the context of its obligations.

42) Prescription

All claims for payment of principal or any other amounts due in respect of the Digital Bonds shall become void unless made within 5 years from the Early Termination Date, Early Redemption Date, the Maturity Date or the Depeg Settlement Date, as the case may be.

43)Force Majeure

Notwithstanding anything to the contrary in these Conditions, neither the Issuer nor the Tokenizer shall in any event be liable for any failure or delay in the performance of its obligations hereunder if it is prevented from so performing its obligations by any Force Majeure Event affecting the Issuer or the Tokenizer.

44)Substitution

a) By acquiring any Digital Bonds, each Holder is deemed to consent that the Issuer shall be entitled at any time, on the Tokenizer's instructions and without the consent of the Holders, to have itself substituted as the debtor for the Digital Bonds by another unaffiliated company (the "**New Issuer**"), provided that:

b) the New Issuer is a special purpose vehicle without any operational activity except for the issuance of the Digital Bonds and activities necessary in connection with the acquisition and disposal of collateral for such Digital Bonds;

   i) the New Issuer assumes all liabilities owed by the existing Issuer to Holders with respect to the Digital Bonds;

   ii) the New Issuer secures its liabilities to Holders that result from the Digital Bonds by means equivalent to the security provided by the Issuer in accordance with the Deed Poll (including these Conditions) and under the Security Deed;

   iii) the New Issuer has filed all necessary documentation with the competent authorities (where necessary) and such documentation has been approved by such competent authorities (where necessary);

   iv) the New Issuer has entered into service agreements with all necessary service providers to obtain services equivalent to those described in these Conditions in connection with the Digital Bonds and the Collateral, which service agreements include limited recourse and non-petition provisions equivalent to those included in the existing Transaction Documents entered into with such service providers; and

   v) the New Issuer has received all necessary internal and external approvals, including any required to be obtained from the authorities of the country in which it has its headquarters.

c) Upon satisfaction of the afore-mentioned conditions:

   i) the New Issuer shall be substituted for the Issuer in all respects, and the Issuer shall be released from all obligations to the Holders as Issuer arising from or in connection with the Digital Bonds; and

   ii) the Digital Bond Tokens shall thereafter represent the Digital Bonds (or relevant fraction thereof) as issued by the New Issuer.

d) Any such substitution of the Issuer as debtor will be promptly published or otherwise notified to the Holders in accordance with Condition 39) (*Notices*).

e) The Issuer bears no responsibility for damages or loss incurred by individual Holders as a result of the exercise of the Issuer's right to substitute another entity for itself as debtor.

45) Modifications; Updating of Documents

a) **Modifications**

i) The Issuer shall be entitled, without the consent of the Holders, to amend, abrogate or vary any provision of these Conditions, the Deed Poll and/or the Security Deed for the purpose of correcting a manifest error, clarifying any uncertainty, or correcting or supplementing the provisions in such a manner as the Issuer may in its discretion deem necessary or desirable, provided that, in the Issuer's sole opinion, acting in a commercially reasonable manner, such changes are not materially prejudicial to the interests of the Holders. The Issuer shall not be required to consider the interests of individual Holders when making any determination as to whether any proposed changes are materially prejudicial but will consider the interests of the Holders taken as a whole.

ii) In addition, the Issuer shall at all times be entitled to amend any provision of these Conditions, the Deed Poll and/or the Security Deed where, and to the extent that, in the Issuer's sole determination, the amendment is necessitated as a consequence of changes in law, including, without limitation any legislation and/or regulation, a judicial determination or judgment or a decision or rule of any regulatory authority, in each case applicable to the Issuer, the Service Providers, the Digital Bonds and/or the Holders.

iii) The Security Agent shall agree to any amendment of the Security Deed proposed by the Issuer (in accordance with the Holder Instructions), provided that the Security Agent shall not be obliged to agree to any modification of the Security Deed which, in the sole opinion of the Security Agent, acting in good faith and in a commercially reasonable manner, would have the effect of:

(1) exposing the Security Agent to any liability against which it has not been indemnified and/or secured and/or pre-funded to its satisfaction; or

(2) increasing the obligations or duties, or decreasing the rights or protection, of the Security Agent under the Security Deed, the Conditions or any other Transaction Document.

iv) To the extent that the Issuer determines in its sole opinion that a proposed amendment to these Conditions, the Deed Poll or the Security Deed may be considered materially prejudicial to the interests of the Holders, the Issuer reserves the right, in accordance with

Condition 12)b) (*Redemption - Early Termination – Issuer Call*) to effect an Early Termination.

v) For the avoidance of doubt, the Issuer shall be entitled to amend the Arrangement and Tokenization Agreement at any time in accordance with its terms and, in accordance with the Holder Instructions, the Security Agent shall agree to any amendment of the Arrangement and Tokenization Services Agreement proposed by the Issuer, the Arranger and the Tokenizer, subject to the provisos in Condition 45)a)iii) (*Modifications; Updating of Documents*) as though references therein to the Security Deed were to the Arrangement and Tokenization Services Agreement.

vi) None of the Issuer, the Arranger, the Tokenizer or the Security Agent shall be liable to any Holder in respect of the consequences of any amendments to the Deed Poll (including these Conditions), the Security Deed or the Arrangement and Tokenization Services Agreement in accordance with this Condition.

b) **Updating of Documents**

i) Should the Issuer determine to amend any provision of these Conditions, the Deed Poll, the Security Deed or the Arrangement and Tokenization Services Agreement:

(1) the Issuer shall electronically execute an amended and restated deed poll (appending the revised Conditions, as applicable) (the "**Amended and Restated Deed Poll**") and/or the Issuer and the Security Agent shall electronically execute an amended and restated Security Deed (the "**Amended and Restated Security Deed**") and/or the Issuer, the Arranger, the Tokenizer and the Security Agent shall electronically execute an amended and restated Arrangement and Tokenization Services Agreement (the "**Amended and Restated Arrangement and Tokenization Services Agreement**");

(2) the Issuer shall publish a Notice to the Holders in accordance with Condition 39) (*Notices*) informing them of such amendments as soon as reasonably practicable and including both a clean and a redline copy of the Amended and Restated Deed Poll, the Amended and Restated Security Deed and/or the Amended and Restated Arrangement and Tokenization Services Agreement (as applicable) showing the changes made thereto; and

(3) the Issuer shall procure that the Tokenizer shall include in the Bond Smart Contract a link to the web page address where the signed original of the Amended and Restated Deed Poll and/or the Amended and Restated Security Deed and/or the Amended and Restated Arrangement and Tokenization Services Agreement (as applicable) will be available for viewing, together with a reference to the hash (the unique

and unrepeatable identifier) in respect of the Amended and Restated Deed Poll, the Amended and Restated Security Deed and/or the Amended and Restated Arrangement and Tokenization Services Agreement. The Bond Token Vault Smart Contract shall include instructions for Holders to access the Amended and Restated Deed Poll and/or the Amended and Restated Security Deed and/or the Amended and Restated Arrangement and Tokenization Services Agreement via the Bond Smart Contract on the DLT.

46)Severance

In the event any clause or item in these Conditions is or is held to be invalid under the laws of any jurisdiction, the validity of the remaining Conditions and the validity of such clause or item under the laws of any other jurisdiction shall not be affected.

47)Exclusion of Liability and Acts of Issuer

a) To the fullest extent permitted by applicable law, in no event will the Issuer, the Service Providers nor any of their respective affiliates nor any of their nor their affiliates' respective past, present, or future employees, officers, directors, independent contractors, consultants, suppliers, vendors, service providers, subsidiaries, affiliates, agents, representatives, predecessors, successors or assigns (the "**Relevant Persons**"), be liable for damages of any kind (including, but not limited to, where related to loss of revenue, income or profits, assets or investment) arising out of or in any way related to the Digital Bonds, regardless of the form of action, whether based in contract, tort or any other legal theory (even if the party has been advised of the possibility of such damages and regardless of whether such damages were foreseeable).

b) To the full extent permitted by law, none of the Relevant Persons shall have any responsibility for any errors or omissions in the calculation of any amount or with respect to the exercise of any discretion or the making of any determinations or decisions required to be made under these Conditions or otherwise with respect to the Digital Bonds, irrespective of whether such parties act in the interest of the Issuer or the Holders. Nor will any of the Relevant Persons be liable for any losses suffered by Holders directly or indirectly as a result of fraud, theft, cyber-attacks, Force Majeure Events, changes in law or regulation or any analogous or similar event other than in the event of their own fraud, gross negligence or wilful misconduct.

c) In no event shall the Relevant Persons have any liability for indirect, incidental, consequential or other damages (even if advised of the possibility of such damages). Holders are entitled to claim damages only (if any) and are not entitled to the remedy of specific performance in respect of any Digital Bond Tokens or Bond Token Receipts or the Digital Bonds represented thereby.

d) Any determination, discretion, information, communication, request, demand, authorization, direction, notice, calculation, consent, waiver or other action provided under these Conditions to be made, given, exercised or performed by the Issuer shall be effective if done by the Issuer or by the Tokenizer on the Issuer's behalf. For such purposes, the Issuer has, in the Arrangement and

Tokenization Services Agreement expressly authorized the Tokenizer to make, give, exercise or perform all such actions on its behalf and has undertaken to the Tokenizer that it shall not make, give, exercise or perform any such actions without the prior approval of the Tokenizer.

e) In performing its role as Tokenizer, the Tokenizer shall act as agent of the Issuer and the Tokenizer shall not be liable to the Holders, to any potential investor or to any other person or entity for anything done or omitted to be done by it on the Issuer's behalf in accordance with the Deed Poll (including these Conditions) or the Arrangement and Tokenization Services Agreement.

f) The Tokenizer shall not owe any duty (fiduciary or otherwise) to the Holders, shall not act as their agent and shall not be liable to the Holders or to any other party for any loss, liability or expense (whether or not foreseeable) suffered or incurred as a result of any actions taken or recommendations or instructions given by it as contemplated under these Conditions (including the Holder Instructions), except in the case of fraud, gross negligence or wilful misconduct of the Tokenizer.

48) Governing Law and Jurisdiction

a) The Digital Bonds (including all aspects of the Bond Smart Contract and the Bond Token Vault Smart Contract), the Deed Poll (incorporating these Conditions) and any non-contractual obligations arising out of or in connection with any of them are governed by, and shall be construed in accordance with, English law (without reference to the principles of conflicts of law rules).

b) The English courts have exclusive jurisdiction to settle any disputes arising under or in connection with the Digital Bonds (including a dispute relating to the existence, validity or termination of the Digital Bonds or any non-contractual obligation arising out of or in connection with the Digital Bonds) and the Issuer irrevocably submits to the exclusive jurisdiction of such courts.

c) For the benefit of the Holders, the Issuer has appointed Walkers (Europe) of The Scalpel, 11th Floor, 52 Lime Street, London EC3M 7AF, United Kingdom as its agent for service of process in England. If the process agent referred to in this Condition 48) (*Governing Law and Jurisdiction*) (or any replacement process agent appointed pursuant to this Condition) at any time ceases for any reason to act as such, the Issuer shall appoint a replacement process agent to accept service having an address for service in England or Wales and shall notify the Holders of the name and address of the replacement agent in accordance with Condition 39) (*Notices*).

d) To the extent that in any jurisdiction the Issuer may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, the Issuer shall not claim, and it hereby irrevocably waives, such immunity.

49) Contracts (Rights of Third Parties) Act

No person shall have any right to enforce or to consent to the amendment of any provision of these Conditions under the Contracts (Rights of Third Parties) Act

1999, other than the Holders and the Security Agent as expressly provided for herein and in the Deed Poll.

50) Holder Instructions

By virtue of acquiring any Digital Bond (whether by receipt of a Digital Bond Token or a Bond Token Receipt), each Holder shall be deemed to have authorized and instructed the Security Agent at the time of its acquisition of such Digital Bond to take each of the following actions (together, the "**Holder Instructions**"):

a) take the following steps to exercise its rights under the Deed Poll (including these Conditions) and the Security Deed upon the occurrence of a Realization Event (as defined in Condition 23) (*Realization Event*):

i) deliver a Notice of Acceleration to the Issuer upon the receipt of a Realization Event Notice (other than in relation to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*)) in accordance with Condition 24)b) (*Enforcement – Acceleration*);

ii) deliver an Enforcement Notice to the Issuer upon receipt of a notice from the Issuer or the Tokenizer, following the occurrence of a Realization Event other than a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), that 10 Business Days after the related Realization Event Notice is continuing and (if applicable) the Digital Bonds have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, in accordance with Condition 24)d) (*Enforcement - Realization of Collateral*);

iii) upon the Security becoming enforceable in accordance with Condition 24)d) (*Enforcement - Realization of Collateral*), subject to the terms of the Deed Poll and the Security Deed, to the full extent permitted by applicable law:

(1) take control over the Collateral Accounts pursuant to the Securities Account Control Agreement by delivering a Notice of Exclusive Control to the Custodian in accordance with the Securities Account Control Agreement notifying the Custodian that it shall no longer act on the instructions of the Issuer but on the instructions of the Security Agent in relation to the Collateral Accounts;

(2) provided there are at least 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), instruct the Custodian to liquidate the Underlying T-bills (and such other Collateral Securities) held in the Securities Collateral Account as quickly as possible and at the best price obtainable (acting in a commercially reasonable manner) and to deliver the net proceeds of such sale after deducting any transaction fees and any other unpaid

fees, costs or expenses of the Custodian into the Cash Collateral Account; and

(3) if there are less than 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), hold them in the Securities Collateral Account until maturity and distribute (or instruct the distribution of) any amounts received on the scheduled maturity date of the Underlying T-bills (and other Collateral Securities) in accordance with Condition 25) (*Realization Event Priority of Payments*);

iv) following any Realization Event, distribute (or instruct the distribution of) the USD Realization Proceeds in the order of priority set out in Condition 25) (*Realization Event Priority of Payments*);

v) following any Realization Event, distribute (or instruct the distribution of) the Net Realization Proceeds to the Holders by any (or any combination) of the methods set out in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*), in accordance with instructions received by it from the Tokenizer, *provided that* following the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall only be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

vi) to convert any security interest created pursuant to Clause 4(a) (*Fixed Charge*) of the Security Deed which takes effect as, or is recharacterized as a floating charge with immediate effect into a fixed charge if:

(1) the Security becomes enforceable in accordance with the Conditions (except pursuant to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*); or

(2) the Issuer requests the Security Agent to exercise any of its powers under the Security Deed;

b) to comply with the following instructions given to it by the Tokenizer (which instructions each Holder shall be deemed to authorize the Tokenizer to give to the Security Agent):

i) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with of Condition 26)c)iii) (*Payment of Net Realization Proceeds upon Enforcement*), if the Issuer has determined that a Fork Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be

made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

ii) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with sub-paragraph 26)c)iii) (*Payment of Net Realization Proceeds*) if the Issuer has determined that a Distributed Ledger Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be made in accordance with sub-paragraph Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

iii) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26)c)iii) of (*Payment of Net Realization Proceeds upon Enforcement*) if the Tokenizer has determined that a Depeg Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be made in accordance with sub-Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

c) to deliver a notice to the Custodian jointly with the Issuer to terminate the Securities Account Control Agreement and advising the Custodian of the identity of any successor custodian where:

i) the Security Agent is notified that the assets held in the Collateral Accounts are to be transferred into replacement collateral accounts with a successor custodian;

ii) the Issuer and the Security Agent have entered into an Amended and Restated Security Deed whereby the Issuer has granted security over such replacement collateral accounts on substantially the same terms as the Security granted under the Security Deed; and

iii) an account control agreement has been entered into among the Issuer, the Security Agent and the successor custodian in relation to the replacement collateral accounts on substantially the same terms as the Securities Account Control Agreement;

d) upon receipt of notice that the assets held in the Collateral Accounts are to be transferred into replacement collateral accounts with a successor custodian, to enter into (i) an Amended and Restated Security Deed whereby the Issuer will grant security over such replacement collateral accounts on substantially the same terms as the Security granted under the Security Deed and (ii) an account control agreement with the Issuer and the successor custodian in relation to the replacement collateral accounts on substantially the same terms as the Securities Account Control Agreement;

e) to deliver a notice to the Custodian pursuant to the Securities Account Control Agreement when the Security granted by the Issuer pursuant to the Security Deed has been unconditionally and irrevocably discharged in full confirming the same;

f) to act solely in accordance with instructions provided to it by the Tokenizer where the Security Agent is unable to take any action in relation to the Collateral or the enforcement of the Security due to a lack of instructions from the Holders in these Holder Instructions;

g) to agree to any amendment of the Arrangement and Tokenization Services Agreement proposed by the Issuer, the Arranger and the Tokenizer, subject to the provisos in Condition 45) (*Modifications; Updating of Documents*) *mutatis mutandis* as though references therein to the Security Deed were to the Arrangement and Tokenization Services Agreement; and

h) to agree to any amendment of the Security Deed proposed by the Issuer (subject to and in accordance with Condition 45) (*Modifications; Updating of Documents*) and execute an Amended and Restated Security Deed reflecting such amendments.

Schedule 1

Transaction Documents

The "**Transaction Documents**" are as follows:

A. Deed Poll (including these Conditions)

B. Security Deed

C. Arrangement and Tokenization Services Agreement

D. Securities Account Control Agreement

E. Brokerage and Custody Agreement

(Documents (A) to (C), the "**Available Documents**").

Schedule 2

Sanctions, Transfer Restrictions and Eligibility Criteria

References in this Schedule to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

1) Sanctions Blacklist and Digital Wallet Blacklist

a) The Bond Smart Contract and the Bond Token Vault Smart Contract will each be programmed to automatically block interactions with any digital wallet address (including the transfer of any Digital Bond Tokens or Bond Token Receipts to and from such digital wallet address, any payment by the Bond Smart Contract into or request for payment submitted to the Bond Smart Contract emanating from such digital wallet address and any request to make a Bond Token Deposit or a Bond Token Withdrawal emanating from such digital wallet address) which:

i) is included on the sanctions blacklist maintained by Chainalysis Inc., which includes digital wallet addresses identified as being linked to persons or entities which are listed on economic/trade embargo lists administered by (among others) the US, UK, EU, and UN, such as the Specially Designated Nationals (SDN) list of the US Department of the Treasury's Office of Foreign Assets Control (OFAC) (the "**Sanctions Blacklist**"); or

ii) is included on the digital wallet blacklist maintained by the Tokenizer, which includes, without limitation, any digital wallet address that is or becomes known to the Tokenizer (through the Investor Screening process or otherwise) to be associated with a person or entity which is a Sanctions Target (as defined in Paragraph 3) (*Sanctions Restrictions*) below) or in relation to which the person or entity having control over such digital wallet address fails to satisfactorily complete Investor Screening and/or the Tokenizer knows or (in its absolute discretion) suspects that such digital wallet address is being used for an illicit purpose, such as fraud, money-laundering or terrorist financing or other financial crime, or which the Tokenizer otherwise determines to include on such list in accordance with Condition 28) (*Bond Smart Contract Functionalities*) or Condition 29) (*Bond Token Vault Smart Contract Functionalities*) (the "**Digital Wallet Blacklist**").

b) None of the Issuer, the Security Agent or the Tokenizer shall be liable to any Holder or other person or entity in respect of any loss suffered by such Holder or other person or entity as a result of any determination made by the Tokenizer to include a digital wallet address associated with such Holder or other person or entity on the Digital Wallet Blacklist or as a result of the digital wallet address of such Holder or other person or entity being included on the Sanctions Blacklist.

2) Sanctions Restrictions

Holders and transferees of the Digital Bonds (whether by possession or transfer of Digital Bond Tokens or Bond Token Receipts) are deemed to be aware of, to have read and understood, and by acquiring Digital Bonds are deemed to have agreed and undertaken to comply with, the following provisions regarding sanctions compliance (the "Sanctions Restrictions") when conducting any Secondary Transfer of Digital Bonds (whether through transfer of Digital Bond Tokens or Bond Token Receipts), including (without limitation) by performing such checks and taking such other steps as may be required thereunder to verify that the person or entity associated with any digital wallet address from which a potential investor proposes to acquire or to which a Holder proposes to transfer Digital Bonds is not a Sanctions Target:

a) Digital Bonds must not be issued or sold to Sanctions Targets and Digital Bond Tokens and Bond Token Receipts must not be transferred to or from any digital wallet address associated with a person or entity which is a Sanctions Target.

b) The Investor Screening procedures conducted by the Tokenizer on behalf of the Issuer upon the primary issuance of the Digital Bonds are designed to prevent any potential investor who is identified as a Sanctions Target from purchasing the Digital Bonds (or, for the avoidance of doubt, being issued with Digital Bond Tokens).

c) In addition, as described in Paragraph 1) (*Sanctions Blacklist and Digital Wallet Blacklist*) above), the Bond Smart Contract and the Bond Token Vault Smart Contract are each programmed to reject any transfer of a Digital Bond Token or a Bond Token Receipt to or from a digital wallet address which is included on the Sanctions Blacklist or the Digital Wallet Blacklist. However, the fact that a digital wallet address is not included on the Sanctions Blacklist or the Digital Wallet Blacklist at any given time is not a guarantee that the person or entity associated with such digital wallet address is not a Sanctions Target and Holders and other persons (including those acquiring Digital Bond Tokens or Bond Token Receipts as a result of Secondary Transfers) are responsible for performing their own checks, conducting their own due diligence and taking such other steps as may be necessary in this regard.

d) Persons acquiring and Holders transferring Digital Bonds (as represented by the Digital Bond Tokens or Bond Token Receipts) on the secondary market are required to inform themselves about the applicable Sanctions Regulations (defined below) and to comply therewith, including by performing such checks and taking such other steps as may be required thereunder to verify that the person or entity associated with any digital wallet address *from which a potential investor proposes to acquire or to which a Holder proposes to transfer* Digital Bond Tokens or Bond Token Receipts is not a Sanctions Target.

e) None of the Issuer, the Security Agent or the Tokenizer shall be liable to any Holder or other person or entity in respect of any loss suffered by such Holder or other person or entity as a result of the Issuer's, the Security Agent's and/or the Tokenizer's compliance with applicable Sanctions Regulations, including as a result of the inclusion or maintenance of a digital wallet address on the Digital Wallet Blacklist or the Sanctions Blacklist or the refusal to include a digital wallet address on the Digital Wallet Whitelist.

f) For purposes of these Conditions,

i) "**Sanctions Regulations**" means any regulations in respect of compliance with Sanctions of any Sanctions Authority;

ii) "**Sanctions**" means any economic or financial sanctions, trade embargoes or other similar prohibitions or restrictions on activity pursuant to any laws, regulations, orders or licenses imposed, administered or enforced from time to time by a Sanctions Authority;

iii) "**Sanctions Authority**" means any authority responsible for the imposition, administration and/or enforcement of Sanctions, including: (a) the United Nations Security Council; (b) the United States (including the US Department of Treasury Office of Foreign Assets Control and the US State Department); (c) the United Kingdom (including HM Treasury Office of Financial Sanctions Implementation); (d) the European Union and the Member States of the European Union; and (e) the sanctions authorities of the place of residence, incorporation or establishment of the Issuer, any Holder and/or any potential transferee of the Digital Bonds, and, in each case, any successor to, or replacement for, any such authority; and

iv) "**Sanctions Target**" means any country, territory entity or person: (a) listed in any Sanctions-related list maintained by any Sanctions Authority; (b) located, organized or resident in, or having substantial commercial ties with a country or territory that is the subject or target of comprehensive Sanctions; or (c) which otherwise is the target of any Sanctions, including,

without limitation, any entity or person controlled (howsoever such control or any equivalent concept is determined in accordance with the relevant Sanctions) or 50 percent or more owned in the aggregate, directly or indirectly, by any target or targets of Sanctions (irrespective of whether or not any such entity is an affiliate of the target of such Sanctions).

3) Selling Restrictions

Holders are deemed to be aware of, to have read and understood, and by acquiring the Digital Bonds (whether by receiving Digital Bond Tokens or Bond Token Receipts) are deemed to have agreed and undertaken to comply with, the following provisions and selling restrictions (together, the "Selling Restrictions") when conducting any sale of the Digital Bonds in the secondary market:

Persons who obtain possession of this Offering Memorandum are required to inform themselves about and to adhere to the Selling Restrictions. This Offering Memorandum does not constitute, nor may it be used for the purposes of, an offer or solicitation to subscribe for or to purchase any securities in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Offering Memorandum should not be used by anyone for this purpose.

a) No public offer No action has been or will be taken by the Issuer that would permit a public offering of any Digital Bonds or possession or distribution of any offering material in relation to any Digital Bonds (including this Offering Memorandum) in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of any Digital Bonds (whether by delivery of Digital Bond Tokens or Bond Token Receipts) or distribution of any offering material relating to any Digital Bonds may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and/or regulations and which will not impose any obligation on the Issuer.

b) Prohibited jurisdictions The Digital Bonds are not for distribution to any U.S. Person or any person or address in the U.S., Bermuda or in any other jurisdiction:

i) to which a distribution would be unlawful (being subject to Sanctions Regulations, such as residents of North Korea, Syria or Iran); or

ii) which may be classified as high-risk jurisdictions subject to a call for action according to the Financial Action Task Force ("**FATF**").

c) Professional Investors only The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (or the equivalent, as defined under the laws of the home jurisdiction of the proposed investor or transferee) in any jurisdiction.

d) PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Digital Bonds

or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

e) The communication of this Offering Memorandum and any other document or materials relating to the issue of the Digital Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Order), or within Article 49(2)(a) to (d) of the Order, or to any other persons to whom it may otherwise lawfully be communicated or caused to be communicated under the Order (all such persons together referred to as "relevant persons"). Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with such persons. This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. The communication of this Offering Memorandum to any person in the United Kingdom who is not a relevant person is unauthorized and may contravene the FSMA.

f) **PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; and (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 ("**MIFIR**") as it forms part of domestic law by virtue of the EUWA ("**UK MIFIR**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the Digital Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

g) **Jurisdiction-specific selling restrictions** The below is not an exhaustive list. The Issuer does not represent the accuracy, currency or completeness of the below restrictions nor does it undertake to update them or to otherwise inform the Holders of any inaccuracies. Holders are responsible for informing themselves of the restrictions applicable in the jurisdictions into which they consider transferring any Digital Bonds and to take appropriate independent legal advice to comply with such laws and regulations.

i) **United States**

(1) The Digital Bonds are not for distribution to any U.S. Person or to any person or address in the U.S. As such, the Digital Bonds shall not be transferred except to persons that are outside of the United States and are not "U.S. Persons" within the meaning of Rule 902 of Regulation S.

(2) For these purposes:

(a) "**U.S. Person**" means:

(i) Any natural person resident in the United States;
(ii) Any partnership or corporation organized or incorporated under the laws of the United States;

(iii) Any estate of which any executor or administrator is a U.S. Person;
(iv) Any trust of which any trustee is a U.S. Person;
(v) Any agency or branch of a foreign entity located in the United States;
(vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
(vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
(viii) Any partnership or corporation if:
1. Organized or incorporated under the laws of any foreign jurisdiction; and
2. Formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

(b) The following are not "U.S. Persons":

(i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
(ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
1. An executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
2. The estate is governed by foreign law;
(iii) Any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
(iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
(v) Any agency or branch of a U.S. Person located outside the United States if:
1. The agency or branch operates for valid business reasons; and
2. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

(c) "United States" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

ii) **European Union ("EU") and European Economic Area ("EEA")**

(1) In relation to each Member State which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), the Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State ("**Relevant Implementation Date**"), it has not made and will not make an offer of the

Digital Bonds to the public in that Relevant Member State, except that the Digital Bonds may, with effect from and including the Relevant Implementation Date, be offered to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(b) at any time in any other circumstances falling within Art. 1 Para. 4 of the Prospectus Regulation,

provided that no such offer of securities referred to in (a) or (b) above shall require the Issuer to publish a prospectus pursuant to the Prospectus Regulation.

(2) For the purposes of this provision, the expression "an offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

(3) The Arranger has represented that it has not offered, sold or otherwise made available and each Holder shall be deemed to have agreed that it will not offer, sell or otherwise make available, any Digital Bonds to any retail investor in the EEA.

(4) For purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Digital Bonds to be offered so as to enable an investor to purchase or subscribe the Digital Bonds.

iii) **Australia**

(1) No prospectus or other disclosure document (as defined in the Corporations Act of 2001) of Australia (the "**Corporations Act**") in relation to the Digital Bonds has been (or will be) lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**"). The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Digital Bonds (or an interest in them) in, or into Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Offering Memorandum or any other offering material or advertisement relating to the Digital Bonds (or an interest in them) in Australia,

(c) unless:

(i) the aggregate consideration payable by each offeree is at least A$500,000 (or the equivalent in another currency, in either case, disregarding monies lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;

(ii) such action complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC or any other regulatory authority in Australia; and

(iii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

iv) **Austria**

(1) In addition to the provisions of the "*Prohibitions of Sales to EEA Retail Investors*" above, the Digital Bonds may be offered for the first time in Austria only once a notification to the issue calendar (*Emissionskalender*) of the Austrian Control Bank (*Osterrreichische Kontrollbank Aktiengesellschaft*), all as prescribed by the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended, has been filed as soon as possible prior to the commencement of the relevant offer of the Digital Bonds.

(2) No prospectus has been or will be approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) and/or published pursuant to the Prospectus Regulation or has been or will be approved by the competent authority of another EEA member state and published pursuant to the Prospectus Regulation and validly passported to Austria.

(3) Neither this Offering Memorandum nor any other document connected therewith constitutes a prospectus according to the Prospectus Regulation, and neither this Offering Memorandum nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria. No steps may be taken that would constitute a public offering of the Digital Bonds in Austria and the offering of the Digital Bonds may not be advertised in Austria. Digital Bonds will only be offered in Austria in compliance with the provisions of the Prospectus Regulation, the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*) as amended, and all other laws and regulations in Austria applicable to the offer and sale of the Digital Bonds in Austria.

v) **Bahrain**

(1) This Offering Memorandum does not constitute an offer of securities in the Kingdom of Bahrain ("**Bahrain**") in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Memorandum and related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain (the "**CBB**"). Accordingly, the Digital Bonds cannot be offered, sold or made the subject of an invitation for subscription or purchase nor can this Offering Memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe for or purchase the Digital Bonds, whether directly or indirectly, to

persons in Bahrain, other than as marketing to accredited investors for an offer outside Bahrain.

(2) The CBB has not reviewed, approved or registered this Offering Memorandum or related offering documents and it has not in any way considered the merits of the Digital Bonds to be marketed for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Memorandum.

(3) The Digital Bonds cannot be offered to the public in Bahrain and this Offering Memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

vi) **Belgium**

(1) This Offering Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority.

(2) The Digital Bonds are not intended to be sold to Belgian Consumers. Accordingly, the Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Digital Bonds to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, this Offering Memorandum or any other offering material relating to the Digital Bonds to Belgian Consumers. For these purposes, a "Belgian Consumer" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 fevrier 2013 de droit economique*), being any natural person resident or located Belgium and acting for purposes which are outside his/her trade, business or profession.

vii) **Bermuda**

(1) The Digital Bonds may be offered or sold in Bermuda only in compliance with the provisions of the Digital Assets Issuance Act 2020, the Investment Business Act 2003, the Exchange Control Act 1972 and the Companies Act 1981 and regulations promulgated thereunder, which regulate the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

(2) The Bermuda Monetary Authority (the "**BMA**"), the Registrar of Companies and the Minister of Finance accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed herein.

(3) The permission of the BMA is required, under the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the BMA has granted a general permission. The BMA, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities, other than "**Equity Securities**" (as defined by the BMA for exchange control purposes) of a Bermuda company from and/or to a non-resident of Bermuda. In granting the general permission, the BMA accepts no responsibility for our

financial soundness or the correctness of any of the statements made or opinions expressed in this Offering Memorandum.

(4) Except with the permission of the BMA, no person shall, in Bermuda and no person resident in Bermuda shall outside Bermuda issue any bearer certificate or coupon. As such, the Digital Bonds shall not be offered or sold to a Holder that is resident in or engaged in or carrying on any trade or business in or from, Bermuda.

viii) **Canada**

(1) The Arranger has represented and agreed, and each Holder shall be deemed to have represented and agreed, that Digital Bonds may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors", as defined in National Instrument 45-116 *Prospectus Exemptions* ("**NI 45-116**") or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-113 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of such Digital Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

(2) Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

(3) The Digital Bonds have not been, and will not be, qualified for sale under applicable Canadian securities laws. The Arranger has represented and agreed, and each Holder shall be deemed to have represented and agreed, that it has not offered, sold, distributed, or delivered, and that it will not offer, sell, distribute, or deliver any Digital Bonds, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of applicable Canadian securities laws. The Arranger has also agreed, and each Holder shall be deemed to have agreed, not to distribute or deliver this Offering Memorandum, or any other offering material relating to the Digital Bonds, in Canada in contravention of applicable Canadian securities laws.

ix) **Cayman Islands**

(1) The Arranger has agreed and each Holder will be deemed to have agreed that it has not made and will not make any invitation, whether direct or indirect, to the public in the Cayman Islands to purchase any Digital Bonds.

x) **Dubai International Financial Centre (DIFC)**

(1) The Digital Bonds may not be promoted in the DIFC other than in compliance with the restriction on financial promotions by the Dubai Financial Services Authority (the "**DFSA**") and may not be offered or sold in the DIFC other than pursuant to an exempt offer in accordance with the Markets Rules (the "**Rules**") of the DFSA. This Offering Memorandum is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person.

(2) The Digital Bonds to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their sale. Prospective purchasers of the Digital Bonds should conduct their own due diligence on the Digital Bonds.

(3) The DFSA has no responsibility for reviewing or verifying any document in connection with exempt offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it. The DFSA does not accept any responsibility for the content of the information included in this Offering Memorandum, including the accuracy or completeness of such information. The liability for the content of this Offering Memorandum lies with the Issuer and other persons, such as experts, whose opinions are included in the Offering Memorandum with their consent. The DFSA has also not assessed the suitability of the Digital Bonds to which this Offering Memorandum relates to any particular investor or type of investor. Investors that do not understand the contents of this Offering Memorandum or are unsure whether the Digital Bonds to which this Offering Memorandum relates are suitable for their individual investment objectives and circumstances, should consult an authorised financial advisor.

xi) **France**

(1) Any offer, placement or sale of the Digital Bonds in France will only be made in compliance with all applicable French laws and regulations in force regarding such offer, placement or sale of the Digital Bonds and the distribution in France of the Offering Memorandum or any other offering material relating to the Digital Bonds.

(2) The Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Digital Bonds in France to qualified investors (*investisseurs qualifies*) as defined in Article L.411-2 1 of the French Code *monetaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the Offering Memorandum or any other offering material relating to the Digital Bonds.

xii) **Hong Kong**

(1) The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Digital Bonds other than

(i) to "professional investors" as defined in the SFO and any rules made under the SFO; or

(ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**"); and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Digital Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Digital Bonds which are or are intended to be disposed of only to

persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

xiii) **Ireland**

(1) The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that:

(a) it will not place the Digital Bonds otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations, 2017 (as amended the "**MiFID II Regulations**"), including Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFs and OTFs)) thereof or any codes of conduct made under the MiFID II Regulations and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it will not place the Digital Bonds otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Irish Companies Act**"), the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended); and

(c) it will not place or otherwise act in Ireland with respect to the Digital Bonds, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU) 596/2014 (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Irish Companies Act.

xiv) **Republic of Italy**

(1) The offering of the Digital Bonds has not been registered with the *Commissione Nazionale per le Societa e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. The Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that any offer, sale or delivery of the Digital Bonds or distribution of copies of this Offering Memorandum or any other document relating to the Digital Bonds in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

(2) Any such offer, sale or delivery of the Digital Bonds or distribution of copies of this Offering Memorandum or any other document relating to the Digital Bonds in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

(3) The offering of the Digital Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Digital Bonds may be offered, sold or delivered, nor may

copies of the Offering Memorandum or of any other document relating to the Digital Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended from time to time (the "**Prospectus Regulation**") and any applicable provision of Italian laws and regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"), and the applicable Italian laws and regulations.

xv) **Japan**

(1) The Digital Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (act No.25 of 1948, as amended, the "**FIEA**") and, accordingly, the Arranger has represented and agreed and each Holder shall be deemed to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Digital Bonds or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

(2) As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

xvi) **The Republic of Korea**

(1) The Digital Bonds have not been and will not be registered with the Financial Services Commission of the Republic of Korea for public offering in the Republic of Korea under the Financial Investment Services and Capital Markets Act (the "**FSCMA**").

(2) The Digital Bonds may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in the Republic of Korea or to any resident of the Republic of Korea except pursuant to the applicable laws and regulations of the Republic of Korea, including the FSCMA and the Foreign Exchange Transaction Law (the "**FETL**") and the decrees and regulations thereunder.

(3) The Digital Bonds may not be resold to the Republic of Korea residents unless the purchaser of the Digital Bonds complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL and its subordinate decrees and regulations) in connection with the purchase of the Digital Bonds.

xvii) **The Netherlands**

(1) The Digital Bonds may not be offered, sold, transferred or delivered in or from The Netherlands, as part of their initial distribution or as part of any re-offering, and neither this Offering Memorandum nor any other document in respect of the offering of the Digital Bonds may be distributed or circulated in The Netherlands, other than to individuals or legal entities which include, but are not limited to, banks, brokers, dealers, institutional

investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of a business or profession.

xviii) **People's Republic of China**

(1) The Digital Bonds may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan) (the "**PRC**"), or to residents of the PRC, unless such offer or sale is made in compliance with all applicable laws and regulations in the PRC.

(2) The Arranger has acknowledged and each Holder shall be deemed to have acknowledged that this Offering Memorandum, the Digital Bonds and any material or information contained or incorporated by reference in this Offering Memorandum relating to the Digital Bonds, have not been and will not be submitted to become, approved/verified by or registered with any relevant government authorities under the People's Republic of China (PRC) law.

(3) Accordingly, the Digital Bonds may not be offered or sold directly or indirectly in the PRC and this Offering Memorandum may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Digital Bonds in the PRC directly or indirectly.

(4) The material or information contained or incorporation by reference in this Offering Memorandum relating to the Digital Bonds does not constitute an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC.

(5) The Digital Bonds may only be invested in by PRC investors that are authorised to engage in the purchase of Digital Bonds of the type being offered or sold.

(6) The Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has not made and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Digital Bonds in the PRC, except where permitted by the China Securities Regulatory Commission, the People's Bank of China and other competent authorities or where the activity otherwise is permitted under the PRC law.

(7) PRC investors should note that they themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government approvals/licenses, verifications and/or registrations (if any) from all relevant PRC governmental authorities (including but not limited to the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or overseas investment regulations.

xix) **Portugal**

(1) No offer of the Digital Bonds may be made in Portugal except under circumstances that will result in compliance with the rules concerning the marketing of such Digital Bonds and with the laws of Portugal generally.

(2) In relation to Portugal, the Digital Bonds may not be offered to the public in Portugal, except that an offer of the Digital Bonds to the public in Portugal may be made:

(i) in the period beginning on the date of publication of a prospectus in relation to the Digital Bonds, following approval by the *Autorité des marches financiers* and notification to the Portuguese Securities Exchange Commission ("***Comissão do Mercado de Valores Mobiliários***", or the "**CMVM**") all in accordance with Article 24 and 25 of the Prospectus Regulation and ending on the date which is 12 months after the date of such publication; and

(ii) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Regulation.

(3) Moreover, the Digital Bonds may be offered at any time to any entities who are considered as professional investors according to article 30 of the Portuguese Securities Code ("***Código dos Valores Mobiliários***"). For the purposes of this provision, the expression an "offer of the securities to the public" in relation to any Digital Bonds in Portugal means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, of the European Parliament and of the Council, of 14 June 2017, and includes any relevant implementing measures in Portugal.

xx) **Saudi Arabia**

(1) This Offering Memorandum cannot be distributed in the Kingdom of Saudi Arabia (the "**KSA**") except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the KSA.

(2) The Capital Market Authority does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the Digital Bonds should conduct their own due diligence on the accuracy of the information relating to the Digital Bonds. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial advisor.

xxi) **Singapore**

(1) The Arranger has acknowledged, and each Holder shall be deemed to have acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

(2) Accordingly, the Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has not offered or sold any Digital Bonds or caused the Digital Bonds to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Digital Bonds, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(3) Where the Digital Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or trust has acquired the Digital Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

xxii) **Spain**

(1) Neither the Digital Bonds nor this Offering Memorandum have been registered with the Spanish Securities Markets Commission (*Comision Nacional del Mercado de Valores*).

(2) Accordingly, the Digital Bonds may not be offered, sold or distributed nor may any subsequent resale of Digital Bonds be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

(3) In addition to the selling restrictions under the Prospectus Regulation in relation to EEA States, as stated above, when the offer is not strictly addressed to qualified investors in the Kingdom of Spain (as defined in Article 2 of the Prospectus Regulation), any offer, sale or delivery of the Digital Bonds, must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se*

aprueba el texto refundido de la Ley del Mercado de Valores), as modified or amended from time to time (the "**Spanish Securities Market Law**").

xxiii) **Sweden**

(1) For selling restrictions in respect of Sweden, please see "*Prohibition of Sales to EEA Retail Investors*" above.

(2) Any offer for subscription or purchase or invitations to subscribe for or buy or sell any Digital Bonds or distribution of any draft or final document in relation to any such offer, invitation or sale in Sweden will only be made in circumstances which will not result in a requirement to prepare a prospectus pursuant to the provisions of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or the Swedish Act with supplementary provisions to the Prospectus Regulation (*Sw. Lag (2019:414) med kompletterande bestämmelser till EUs prospektförordning*), as amended or replaced.

xxiv) **Switzerland**

(1) The securities issued are derivative financial instruments (debt instruments) according to Swiss Law. The securities do not constitute a collective investment scheme within the meaning of the CISA. Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and potential investors do not benefit from the specific investor protection provided under the CISA and are exposed to the credit risk of the Issuer. Any investment in the securities does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

(2) The securities, qualifying as structured products pursuant to Article 70 FinSA, may be offered to retail clients within the meaning of FinSA in Switzerland only if a key investor document (*Basisinformationsblatt*) (FinSA- KID) pursuant to Article 58 et seqq. of FinSA or a key information document pursuant to the PRIIPs Regulation (PRIIPs-KID) instead of a FinSA-KID has been prepared and provided to the relevant retail clients. If the securities may only be offered to retail clients in the context of asset management mandates, such obligation to provide a FinSA-KID or a PRIIPs-KID would not apply. The securities are not and will not be issued, guaranteed or secured in an equivalent manner by a supervised institution within the meaning of Article 70 paragraph 1 FinSA. However, the Issuer will for each product provide collateral corresponding to the requirements under Article 70 paragraph 2 FinSA.

xxv) **Taiwan**

(1) The Digital Bonds have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authorities or agencies of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that would require a registration or filing with, or approval of, the Financial Supervisory Commission of Taiwan and/or other regulatory authorities or agencies of Taiwan.

(2) No person or entity in Taiwan has been authorized to offer or sell the Digital Bonds in Taiwan. The Digital Bonds may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors but may not be offered or sold in Taiwan unless the Digital Bonds offered or sold to investors in Taiwan are through Taiwan licensed financial

institutions to the extent permitted under relevant Taiwan laws or regulations, such as the Directions for Offshore Banking Branches Conducting Securities Businesses.

xxvi) **United Arab Emirates (excluding the DIFC and the Abu Dhabi Global Market)**

(1) By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that the offering of Digital Bonds has not been approved or authorised by the United Arab Emirates (the "**UAE**") Central Bank, the UAE Securities and Commodities Authority (the "**SCA**"), or any other relevant licensing authorities in the UAE, and accordingly does not constitute a public offer of securities in the UAE in accordance with the commercial companies law (UAE Federal Decree Law No. 32 of 2021) or otherwise.

(2) In addition, the Issuer represents and agrees that the Digital Bonds have not been and are not being, publicly offered, sold, promoted or advertised in the UAE other than in compliance with the laws of the UAE governing the issue, offering and sale of securities.

(3) Further, the Arranger represents and agrees and each Holder shall be deemed to have represented and agreed that the Digital Bonds have not been and will not be publicly offered, sold, promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

(4) This Offering Memorandum is strictly private and confidential and is being issued to a limited number of investors in the UAE:

(a) who qualify as "professional investors" for the purpose of the SCA Decision No. (13/R.M) of 2021 on the rules handbook of financial activities and mechanisms of status regularisation, as amended (the "**SCA Rulebook**"), or "counterparties" for the purpose of the SCA Rulebook; or

(b) in the case of any other investors, only on the basis of a reverse inquiry upon their request only;

and in each case

(i) upon their confirmation that they understand that the Digital Bonds have not been approved or licensed by or registered with the UAE Central Bank, the SCA, or any other relevant licensing authorities or governmental agencies in the UAE; and

(ii) on the express condition that they do not provide this Offering Memorandum to any person other than the original recipient who may not reproduce or use this Offering Memorandum for any other purpose.

(5) Investors that do not understand the contents of this Offering Memorandum or are unsure whether the Digital Bonds to which this Offering Memorandum relates are suitable for their individual investment objectives and circumstances should consult an authorised financial advisor.

xxvii) **United Kingdom**

(1) The Arranger has represented that it has not offered, sold or otherwise made available and each Holder shall be deemed to agree that it will not offer, sell or otherwise make available any Digital Bonds to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 ("**MIFIR**") as it forms part of domestic law by virtue of the EUWA ("**UK MIFIR**"); or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Digital Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Digital Bonds.

(2) The Arranger has represented, warranted and agreed and each Holder shall be deemed to represent, warrant and agree that:

(a) Financial Promotion: 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 Digital Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Digital Bonds in, from or otherwise involving the United Kingdom.

xxviii) **General**

(1) The Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has complied with and will comply with, all applicable securities laws and regulations in force in each country or jurisdiction in which it purchases, offers, sells or delivers Digital Bonds or possesses, distributes or publishes this Offering Memorandum or any other offering material relating to the Digital Bonds, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Digital Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, in all cases at their own expense and neither the Issuer nor the Arranger shall have any responsibility therefor.

(2) Neither the Issuer nor the Arranger represents that Digital Bonds 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 any such sale.

The Issuer reserves the right to impose further selling restrictions at its sole discretion which will be communicated in a notice to the Holders in accordance with Condition 39) (Notices).

4) Eligibility Criteria

a) To be eligible to invest in the Digital Bonds and to be included on the Digital Wallet Whitelist, a potential investor or Holder must:

i) provide sufficient information to enable the Issuer or any selling Holder to establish and verify its identity; and

ii) not be any of the following:

(1) under the age of 18 or the legal age to contract in the potential investor's or Holder's home jurisdiction;
(2) a U.S. Person (as defined in Regulation S, section 902 under the United States Securities Act, 1933 (as amended));
(3) a retail investor (or equivalent as defined under the laws of their home jurisdiction);
(4) resident in, or engaged in or carrying on any trade or business in or from, Bermuda;
(5) a Person with material exposure to a country subject to comprehensive Sanctions whether by the UK, EU, US or UN;
(6) a Person and/or associated individual who is subject to Sanctions whether by the UK, EU, US or UN;
(7) a shell bank;
(8) an arms dealer, manufacturer, seller of arms and munitions (including cluster munitions), or unlicensed gun store;
(9) a Person known, or reasonably suspected to be, involved in criminal activity;
(10) a Person with underlying clients that does not have a comprehensive AML/ATF/KYC programme as required by law;
(11) a non-bank financial institution or money services business (MSB) operating without the required licences or registrations (as appropriate to the jurisdiction);
(12) an entity and/or associated individual who has been subject to regulatory sanction, criminal conviction (including, without limitation, fraud, tax evasion or similar offences);
(13) a Person who participates in the unlicensed trade of national and/or historic cultural property;
(14) a Person designated as a Primary Money Laundering concern by the US Treasury under section 311 of the USA Patriot Act; or
(15) a direct or indirect criminal or quasi-criminal customer (such as escort services or wider sex trade, illegal narcotics, child pornography or human trafficking),

(together, the "**Eligibility Criteria**").

Schedule 3

Holder Representations

References in this Schedule to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

By virtue of acquiring any Digital Bonds, each Holder shall be deemed to have represented, warranted and acknowledged to each of the Issuer, the Arranger, the Tokenizer and the Security Agent at the time of its acquisition of such Digital Bonds and at the time of submitting a claim for any payment under the Digital Bonds that:

1.

(a) it has consulted with its own legal, regulatory, tax, business, investments, technology, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary or appropriate in connection with its decision to invest in the Digital Bonds and not upon any view expressed by the Issuer, the Arranger, the Tokenizer or any of their agents or service providers and on that basis believes that an investment in the Digital Bonds is suitable and appropriate for it to make and it is not relying on the Issuer, the Arranger, or any of their respective affiliates, partners, members, officers, counsel, agents or representatives for any legal, lending, tax or other advice;

(b) it is acquiring the Digital Bonds with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks;

(c) it has the appropriate understanding of blockchain/distributed ledger technology and other technological features such as smart contracts, storage mechanisms and blockchain/distributed ledger-based software systems, to be able to evaluate the risks and merits of purchasing the Digital Bonds, to evaluate the risk associated with the blockchain/distributed ledger technology, the Digital Bond Tokens, the Bond Token Vault and the Bond Token Receipts and to make its investment decision;

(d) it has reviewed in full and understands the Offering Memorandum and, in particular, the sections entitled "*Risk Factors*", "*Selling Restrictions*", "*Sanctions, Transfer Restrictions and Eligibility Criteria*", "*Terms and Conditions of the Digital Bonds*" and "*Terms and Conditions of the Offer*" in the Offering Memorandum;

(e) other than the Offering Memorandum provided to the Holder by or on behalf of the Issuer, the Holder is not relying on any information given or purported to be given on behalf of the Issuer in determining to make any investment in the Digital Bonds (it being understood that no person has been authorized by the Issuer to furnish any information);

(f) no representations or warranties have been made to the Holder by the Issuer, or any of its respective members, or any agent of said persons or entities, other than as expressly set forth in the Offering Memorandum;

(g) it has been afforded an opportunity to ask questions of, receive satisfactory answers from, and engage in discussions with the Issuer concerning the Issuer's business, management and financial affairs, and the terms and conditions of the Digital Bonds, the Available Documents and the Offering Memorandum. The Issuer has made available any and all additional information requested by it. It understands that such questions, answers and, as well as any other written

information delivered or made available by the Issuer to the Holder, were intended to describe the aspects of the Issuer's business which it believes to be material;

(h) it has consulted with its own legal or regulatory advisors to the extent that it has deemed necessary to understand the legal and regulatory requirements applicable to the Digital Bonds, the Digital Bond Tokens and the Bond Token Receipts in its jurisdiction as well as any ongoing regulatory developments with respect thereto, and acknowledge that the law, regulation and supervisory guidelines and expectations with respect to the Digital Bonds may evolve rapidly and be subject to change and uncertainty;

(i) it has consulted with its own tax advisors to the extent that it has deemed necessary to understand the relevant tax implications and tax reporting considerations applicable to the Digital Bonds, the Digital Bond Tokens and the Bond Token Receipts;

(j) it has conducted its own due diligence review, investigation and analysis of the DLT, the Bond Smart Contract, the Bond Vault Smart Contract, the Digital Bond Tokens, the Bond Token Receipts, the Issuer, the Arranger, the Tokenizer, the Broker, the On-Off Ramper, the Custodian and the Security Agent, and has been satisfied in all respects with the results of such due diligence;

(k) it (1) has the requisite knowledge and experience in financial, technology (including, without limitation, blockchain technology, including the use of Digital Bond Tokens, the Bond Token Vault and the Bond Token Receipts) and business matters to evaluate the merits and risks of an investment in the Digital Bonds and the information contained or incorporated by reference into the Offering Memorandum, and to protect its own interests in connection with the transaction; (2) is able to incur a complete loss of making such investment without impairing its financial condition;

(l) it has access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Digital Bonds will have on its overall investment portfolio;

(m) it has the requisite knowledge, experience and technical competence to interact with relevant Smart Contracts (including, without limitation, the Bond Smart Contract and the Bond Token Vault Smart Contract) on the DLT in order to exercise any rights and discharge any obligations in respect of the Digital Bonds, the Digital Bond Tokens and the Bond Token Receipts;

(n) it is capable of bearing the economic risk of an investment in the Digital Bonds until the Maturity Date of the Digital Bonds or the maturity date of any digital bonds acquired by it upon exercise of the Automatic Rollover Subscription Option;

(o) it complies with the KYC/AML Rules and Sanctions (as such terms are defined below) and is not a Sanctioned Person (as such term is defined below);

(p) it recognises that it may not be possible to dispose of the Digital Bonds for a substantial period of time, if at all, before the Maturity Date and that it may only be able to do so at a price which is less than its initial investment; it understands that no public market now exists for any Digital Bonds, and that the Issuer has made no assurances that a public market will ever exist therefor;

(q) it accepts that the Issuer, the Arranger and the Tokenizer shall have no liability to it and any third parties whatsoever with respect to the functionality, availability, compliance with applicable laws, suitability, malfunction, or any function that operates in an unexpected manner of the DLT; and

(r) it is a 'professional', 'qualified', 'institutional' or 'accredited' investor or 'eligible counterparty' (or equivalent, as defined under the laws of its home jurisdiction) and not a 'retail investor' (or equivalent, as defined under the laws of its home jurisdiction) and is otherwise a person to whom the Digital Bonds may lawfully be offered and sold in accordance with the restrictions set out in the section of the Offering Memorandum entitled "*Selling Restrictions*", all other applicable laws of its home jurisdiction and the Eligibility Criteria.

For purposes of the foregoing:

"**Affiliate**" means any person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person.

"**KYC/AML Rules**" means, in connection with and to the extent applicable to any Holder, the obligations upon that Holder and its Affiliates under the money laundering, counter-terrorism financing, non-proliferation, anti-bribery, anti-corruption and anti-trafficking statutes and the rules and regulations promulgated thereunder and any related or similar rules, regulations or guidelines, issued, administered and/or enforced by any governmental agency having jurisdiction over such Holder and/or its Affiliates.

"**Sanctioned Person**" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled directly or indirectly by any individual or entity who is a designated target of, or who is otherwise a subject of, Sanctions).

"**Sanctions**" means any economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following:

a) the United Nations, including, *inter alia*, the United Nations Security Council;
b) the European Union, including, *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies, institutions or agencies of the European Union;
c) the government of the United States of America, and any department, division, agency or office thereof, including, *inter alia*, the Office of the Foreign Asset Control (OFAC) of the United States Department of Treasury, the United States Department of State and/or the United States Department of Commerce; and
d) the government of the United Kingdom, and any department, division, agency, office or authority, including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

2. Securities Law and other Regulatory Representations

a. The Holder has been advised, understands and acknowledges that any and all Digital Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the securities laws of any state of the United States or the securities laws of any other country or jurisdiction and the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) may not be reoffered, sold, pledged encumbered or otherwise transferred in the United States or to United States persons.

b. The Holder has been advised, understands and acknowledges that any and all Digital Bonds are being offered and sold by or on behalf of the Issuer in reliance on an exemption from the registration requirements of United States federal and state securities laws under Regulation S ("**Regulation S**") promulgated under the Securities Act, and in connection with such reliance, the Digital Bonds will be offered

and sold by or on behalf of the Issuer only outside of the United States to persons that are not "U.S. persons" within the meaning of Regulation S.

c. The Holder understands and acknowledges that the Issuer is relying upon the truth and accuracy of the representations, warranties, certifications and covenants of the Holder set forth herein in order to determine the applicability of such exemptions and the suitability of the Holder to invest in the Digital Bonds.

d. The Holder has acquired the Digital Bonds in an "offshore transaction" as defined in Rule 902(h) of Regulation S.

e. The Holder has read and understands the definition of "U.S. person" in Rule 902 of Regulation S.

f. The Holder is not a "U.S. person" within the meaning of Rule 902 of Regulation S.

g. The Holder is not a "United States person" or a disregarded entity of a "United States person" for U.S. federal income tax purposes.

h. (1) Each of (i) the Holder and (ii) if the Holder is not a natural person, any and all individuals authorized to subscribe for or purchase the Digital Bonds on behalf of the Holder, was, is and will be domiciled and located outside of the United States on each date that any offer was made by on or behalf of the Issuer with respect to the Holder's purchase of the Digital Bonds, on each date on which it purchases any Digital Bonds and on each date of any payment to the Holder by the Issuer under the Digital Bonds, and (2) the Digital Bonds are not being acquired for the account or benefit of, nor will the Digital Bonds at any time be held, directly or indirectly, for the account or benefit of, any "U.S. person" within the meaning of Rule 902 of Regulation S.

i. The Holder will not take any action that would have any adverse effect on the Issuer's reliance on Regulation S of the Securities Act.

j. The Holder has been advised, understands and acknowledges that to facilitate compliance with applicable securities laws, the Digital Bonds may not be offered, sold, resold, pledged, hypothecated or otherwise Transferred (as defined below) except when made (1) in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from registration; (2) in accordance with applicable, laws, rules and regulations; and (3) in accordance with the requirements and conditions set forth in the Conditions, including, without limitation, the Transfer Restrictions set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*); and the foregoing restrictions are and will be binding upon any and all subsequent Transferees of any Digital Bonds.

k. The Holder has been advised, understands and acknowledges that there are material restrictions on the Transfer of the Digital Bonds, as set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) hereof and that the Issuer may take any and all actions that the Issuer may determine, in its sole and absolute discretion, to be necessary or appropriate to prevent (or to facilitate or support the prevention of) any or all unauthorized Transfers or to enforce (or to facilitate or support the enforcement of) any or all Transfer restrictions set forth herein, including but not limited to: (1) requiring any Holder which has acquired Digital Bonds in breach of such Transfer Restrictions or the Eligibility Criteria to transfer such Digital Bonds to another eligible Person; (2) adding or maintaining the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist; or (3) withholding any payment otherwise due under the Digital Bonds to such ineligible Holder.

l. The Holder is not a "distributor" within the meaning of Regulation S.

m. The Holder has not acquired the Digital Bonds as a result of, has not engaged in, the Holder is not aware that the Issuer or any other person has engaged in, and the Holder will not engage in or cause any party to engage in, any "directed selling efforts," within the meaning of Regulation S, in the United States with respect to the Digital Bonds which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Digital Bonds.

n. The Offering Memorandum is the only "offering material," within the meaning of Rule 902(g)(2) of Regulation S, that has been provided or made available to the Holder in connection with the Digital Bonds.

o. The Digital Bonds to be acquired by the Holder will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to their resale or distribution, and the Holder has no present intention of selling or otherwise distributing the same. The Holder does not presently have any contract, undertaking, agreement or arrangement with any person to sell or otherwise Transfer the Digital Bonds to such person or to any third person, with respect to any Digital Bonds. The Holder has not been formed for the specific purpose of acquiring any Digital Bonds.

p. The Holder has complied with, and has satisfied itself as to the full observance of, the laws of its jurisdiction in connection with its investment in the Digital Bonds, including but not limited to: (1) any and all legal requirements within its jurisdiction for the purchase of the Digital Bonds, (2) any and all foreign exchange restrictions applicable to such transaction, (3) any and all governmental or other consents that may need to be obtained and (4) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, resale or Transfer of any Digital Bonds. The Holder's subscription and payment for and continued beneficial ownership of such Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) will not violate any applicable securities or other laws, rules or regulations of the Holder's jurisdiction.

q. For U.S. federal income tax purposes, the person acquiring the Digital Bonds is a person that is not a citizen or resident of the United States of America, a domestic partnership, a domestic corporation, an estate or trust the income of which is subject to United States Federal income taxation regardless of its source, or a person that is treated as a disregarded entity of any of the foregoing for U.S. federal income tax purposes. The Issuer and you agree that this certification shall constitute an electronic certificate (as described in Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii)) that shall have the effect of a signed certificate described in Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(i).

r. The Holder is not a New York resident (within the meaning of Section 200.2(h) of the New York Codes, Rules and Regulations). The Holder agrees and acknowledges that if such Holder becomes a New York resident after acquiring the Digital Bonds, the Issuer shall be permitted to (1) require the Holder to transfer such Digital Bonds to another eligible Person; (2) add or maintain the digital wallet address of the Holder to the Digital Wallet Blacklist; or (3) withhold any payment otherwise due under the Digital Bonds.

3. Acknowledgement of Risks and Restrictions

The Holder has been advised, understands, acknowledges and agrees to the following:

a. The Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) have not been and will not be registered under the Securities Act, the securities laws of any state within the United States or the securities laws of any jurisdiction outside of the United States. In addition, the Issuer is not an investment company under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and will therefore not be registered as such thereunder. Consequently, Holders will not be afforded the protections of the Investment Company Act.

b. The Digital Bonds have not been approved or disapproved by any U.S. federal, U.S. state or foreign securities commission or other regulatory authority in any jurisdiction, and none of the foregoing has passed on the accuracy or adequacy of this document, the merits of an investment in the Digital Bonds.

c. An investment in the Digital Bonds is speculative and involves a substantial degree of risk of loss by the Holder, including the possibility of loss of the Holder's entire investment. The Holder understands that the Issuer's future performance is dependent on a number of factors beyond the control of the Issuer and that the Holder's investment is subject to significant risks, including but not limited to those set forth in the Offering Memorandum. The Holder has read and understands the Offering Memorandum, including but not limited to the risk factors set forth therein, and fully understands, acknowledges and assumes all risks relating to making an investment in the Digital Bonds, including but not limited to those set forth in the Offering Memorandum.

d. The Holder has been advised to consult with the Holder's own attorneys and other advisors regarding legal and tax matters concerning an investment in the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) and has done so to the extent the Holder considers necessary.

e. The Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) may not be offered, sold, resold, pledged, hypothecated or otherwise Transferred except when made (1) in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from registration; (2) in accordance with applicable, laws, rules and regulations; and (3) in accordance with the requirements and conditions set forth in the Offering Memorandum, including, without limitation, the Transfer Restrictions set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions.

4. Privacy Notice

If the Holder is a natural person, he or she has received a notice regarding privacy of information (as set out in Schedule 4 (*Privacy Notice*) to the Conditions (the "**Privacy Notice**"). In accordance with such Privacy Notice, the Holder acknowledges and agrees that the Issuer may disclose non-public personal information of the Holder to the Issuer's accountants, attorneys and other service providers as necessary to effect, administer and enforce the Issuer's and the Holders' rights and obligations.

5. Money Laundering and OFAC

The Holder hereby acknowledges that the Issuer seeks to comply with all applicable laws concerning money laundering and related activities.

In furtherance of those efforts, the Holder hereby represents, warrants and agrees that, to the best of the Holder's knowledge based upon appropriate diligence and investigation:

(a) none of the cash or property that the Holder has paid, will pay or will contribute to the Issuer (including any amounts attributable to beneficial owners or underlying Holders of the Holder) has been or will be derived from, or related to, any activity that is deemed criminal under United States law or that is an offense against a nation other than the United States involving (a) the manufacture, importation, sale, or distribution of a controlled substance (as such term is defined for the purposes of the Controlled Substances Act), (b) murder, kidnapping, robbery, extortion, destruction of property by means of explosive or fire, or a crime of violence, (c) fraud, or any scheme or attempt to defraud, by or against a foreign bank (as defined in paragraph 7 of section 1(b) of the International Banking Act of 1978), (d) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official, or (e) smuggling or export control violations involving an item controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778) or an item controlled under regulations under the Export Administration Regulations (15 C.F.R. Parts 730–774); and

(b) no funding by the Holder to the Issuer, to the extent that it is within the Holder's control, shall cause the Issuer to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, any other anti-money laundering or anti-terrorist laws and any regulations, including regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"). The Holder shall promptly notify the Issuer if any of the representations in this section cease to be true and accurate regarding the Holder.

The Holder should check the OFAC website (https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx) before making the following representations:

(i) To the Holder's knowledge, the Holder's investment in the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) is not, and will not be, directly or indirectly derived from activities that may contravene federal, state and international laws and regulations, including anti-money laundering laws.

Please note that U.S. statutes, Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain countries, territories, entities and individuals. Lists of individuals and entities targeted by OFAC-administered sanctions include the List of Specially Designated Nationals and Blocked Persons and the Consolidated Sanctions List, which can be found on the OFAC website at:

https://ofac.treasury.gov/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists and https://ofac.treasury.gov/consolidated-sanctions-list-non-sdn-lists (each, an "**OFAC List**").

Countries, territories and jurisdiction subject to comprehensive OFAC embargoes currently include Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine and the self-declared independent Luhansk and Donetsk regions of Ukraine (each such jurisdiction, and any jurisdiction that becomes subject to comprehensive, embargo-like sanctions, a "**Targeted Jurisdiction**").

(ii) None of (1) the Holder; (2) any person controlling, controlled by, or under common control with the Holder; (3) if the Holder is a privately held entity, any person having a beneficial interest in the Holder; or (4) any person for whom the Holder is acting as agent or nominee in connection with its investment in the Digital Bonds (all natural persons described by the foregoing clauses (2) through (4) being referred to as "**Related Persons**"), is, or is owned or controlled by any individuals or entities that are (i) the target of any sanctions administered by OFAC; or (ii) located, organized or resident in a Targeted Jurisdiction.

The Holder will not, directly or indirectly, transfer, lend, contribute or make available the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) to any person located or resident in a Targeted Jurisdiction or utilize the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) in any manner that would violate any sanctions administered by OFAC. The Holder, if an entity, or acting as an agent or nominee, has adopted procedures to acquire information from the persons described in clauses (2) through (4) above that substantiates the statements contained in the foregoing representation.

The Issuer cannot accept an investment in the Digital Bonds from the Holder if the Holder cannot make the foregoing representations in this section.

(iii) No Related Person of the Holder is a senior foreign political figure, or an immediate family member or close associate of a senior foreign political figure, within the meaning of the U.S. Department of Treasury's

Guidance on Enhanced Scrutiny for Transactions That May Involve the Proceeds of Foreign Official Corruption and as referenced in the USA PATRIOT Act of 2001.

6. Notification.

The Holder will promptly notify the Issuer if it becomes aware of any information that causes the representations set forth in clause (iii) above to no longer be true. The Holder is advised that in the event any representation required by any anti-money laundering laws or regulations or by OFAC is no longer true, the Issuer may be legally obligated to "freeze the account" of the Holder by adding the digital wallet address of the Holder to the Digital Wallet Blacklist, preventing any further dealings in the Digital Bond Tokens or Bond Token Receipts held by the Holder and refusing to make payment of any amount in respect of the Digital Bonds or to deliver any Digital Bond Tokens to the Holder. The Issuer may also be required to report such action and to disclose the Holder's identity to OFAC or other applicable authority. The Holder further understands that the Issuer may release confidential information about the Holder and, if applicable, any underlying beneficial owners, to proper authorities if the Issuer, in its sole discretion, determines that it is in the best interests of the Issuer in light of relevant rules and regulations under applicable laws.

The Holder agrees, (i) except as prohibited by applicable law, to obtain and provide the Issuer, the Tokenizer its agents or representatives, the Security Agent or any Paying Agent (each a "**Relevant Party**"), with information or documentation, and to update or correct such information or documentation as may be necessary or helpful (in the sole determination of the Relevant Party) to achieve compliance with any tax reporting rules or to comply with similar obligations in any applicable jurisdictions, (ii) that the Relevant Party may provide such information and documentation and any other information concerning its holding of the Digital Bonds and the Digital Bond Token(s) or Bond Token Receipts evidencing such holding to the U.S. Internal Revenue Service and any other relevant tax authority and take such other steps as the Relevant Party deems necessary or helpful to achieve compliance with any tax reporting rules and (iii) if the Holder fails for any reason to comply with sub-paragraph (i) above, or is or becomes a Person who is not permitted to hold the Digital Bonds under applicable tax laws, the Issuer will have the right, in addition to withholding on payments made by it or any Relevant Party on its behalf, to retain such amounts to pay the costs related to such noncompliance (including any taxes imposed by FATCA) from time to time and any amounts remaining after paying such costs released to the Holder at such time that the Issuer determines that the Holder complies with sub-paragraph (i) above. Any amounts retained in respect of such Digital Bonds shall be treated for all purposes under the Conditions as if such amounts had been paid directly to the Holder; provided that any amounts will be released to the Holder on the date of final payment (or as soon as reasonably practical thereafter). The Holder agrees to indemnify the Issuer and the Relevant Party for all damages, costs and expenses that result from its failure to comply with its obligations under sub-paragraph (i). This indemnification will continue even after the Holder ceases to have an interest in any Digital Bonds.

7. Reaffirmation.

The Holder agrees that each of the foregoing representations, warranties, certifications, and covenants will be deemed to be reaffirmed by the Holder at any time the Holder makes any subsequent investment in the Digital Bonds (whether from the Issuer or another person) or receives any payment from the Issuer, and any such investment, receipt or payment will be conclusive evidence of the Holder's reaffirmation. If any of the foregoing representations, warranties, certifications, or covenants ceases to be true, the Holder will promptly notify the Issuer of the facts pertaining to the change in circumstances. The Holder agrees to provide all information and execute and deliver any and all documents that the Issuer may reasonably request from time to time in order to verify the accuracy of the Holder's representations, warranties and covenants or to comply with any law, rule or regulation to which the Issuer, the Arranger or their respective affiliates may be subject.

Schedule 4

Privacy Notice

References in this Schedule to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

Your privacy is very important to us. This privacy notice (the "**Privacy Notice**") sets forth the Issuer's policies regarding non-public personal information ("**NPI**") of Holders, potential investors and former Holders. This Privacy Notice is not, however, a contract and does not create any legal rights or obligations. This policy may be changed at any time, provided a notice of the change is given to you. When we use the terms "we," "us," or "our" in this Privacy Notice, we are referring to the Issuer and the Tokenizer. When we use the terms "you" or "your" in this Privacy Notice, we are referring to prospective, current or former Holders of the Digital Bonds.

Information We Collect. You may provide us with NPI such as your name, job title, employer, contact information, social security number (or equivalent), passport number, national origin, citizenship status, and financial information, (i) as part of the account-opening process on the Pivio Platform, (ii) in correspondence and conversations with the Issuer's and/or the Tokenizer's representatives and (iii) as part of the Investor Screening process. The Issuer and/or the Tokenizer may also collect the same categories of NPI about you from third party sources, government records and other publicly available sources for regulatory or compliance purposes.

Information We Disclose. We may disclose NPI about you in the following ways:

To Our Affiliates. If you are a natural person, we do not disclose NPI about you to our affiliates unless you authorize us to disclose such information to our affiliates. Because it may be necessary for us to disclose NPI about you to our affiliates in order to make any payments to you under the Digital Bonds, the Conditions of the Digital Bonds provide that by acquiring any Digital Bonds, you will be deemed to have authorized us to disclose your NPI to our affiliates.

To Our Service Providers. We may also disclose your NPI to our legal advisors, auditors, brokers, regulators and certain service providers to the extent permitted by law and, in such case, only as necessary to facilitate the management of your Digital Bonds. For example, it may be necessary, under "Know Your Customer" and anti-money laundering laws and regulations, to disclose NPI about you in order for any service providers to make any payment to you.

With Your Consent. We will also disclose information about you if you direct us to do so.

For Other Lawful Purposes. We may disclose NPI to third parties, such as legal advisors and law enforcement for other lawful purposes including: the establishment, exercise, or defence of legal claims; to respond to lawful requests (including those by law enforcement, regulators and self-regulatory organizations) and legal process; to protect our rights and property, including to enforce our agreements and policies; to detect, suppress, or prevent fraud; or as otherwise required by applicable law.

Safeguards. We seek to carefully safeguard your private information and, to that end, restrict access to non-public personal information about you to those employees and other persons who need to know the information to enable the Issuer and the Tokenizer to provide services to you. We maintain reasonable physical, electronic and procedural safeguards to protect non-public personal information.

Annual Notice. If required by applicable law, we will provide you with a copy of our Privacy Notice in the event our privacy policies are materially revised.

Description of the Issuer

Information about the Issuer

Legal and Commercial Name

The legal and commercial name of the Issuer is "Digital Bonds Ltd, acting in respect of its segregated account designated as "**DB Series-11**".

Registered Office and Contact Information

The registered office of the Issuer is located at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda. The contact e-mail address for the Issuer is % the Tokenizer at jan@pv0.one.

The Pivio Platform web address is www.pv0.one.

Domicile, Legal Form and other Information

Digital Bonds Ltd is registered in the Bermuda Register of Companies with registration number 202302760. The legal entity identifier (LEI) of Digital Bonds Ltd is 9845001ACD9A9DCCF060.

Digital Bonds Ltd was registered as a segregated accounts company ("**SAC**") under the Bermuda Segregated Accounts Companies Act 2000 (as amended) on 10 November 2023.

A SAC is a company that has been granted the statutory power to create and operate segregated accounts, to legally segregate and keep separate the assets and liabilities attributable to a particular segregated account from those linked to other segregated accounts and from the SAC's general account (made up of those assets and liabilities that are not linked to a particular segregated account).

The segregated accounts representative of Digital Bonds Ltd is Continental Management Limited.

Establishment of the Issuer

The Issuer was established as a segregated account of Digital Bonds Ltd by a resolution of the directors of Digital Bonds Ltd on 26 January 2024.

Organizational Structure

Digital Bonds Ltd is an orphan special purpose vehicle established for the sole purpose of issuing Digital Bonds through its segregated accounts. Digital Bonds Ltd is designed to operate as a bankruptcy-remote entity, managed by a distinct board of directors and producing its own separate books and accounts.

The Issuer has been established as a segregated account of Digital Bonds Ltd. The assets and liabilities linked to the Issuer are limited to those acquired or incurred by it in connection with the issuance of the Digital Bonds.

Shareholders

The entire authorized and issued share capital of Digital Bonds Ltd (100 common shares having a par value of 1.00 USD per share) is held on trust for charitable purposes by Hamilton Trust Company Limited as successor to Zobec Trust Company Limited ("**Zobec**") pursuant to a declaration of trust executed by Zobec as share trustee of the PV01 Charitable Trust on 21 August 2023.

Name and Address	Number of Shares	Certificate No.	Percentage Paid	Date of entry as Member
Hamilton Trust Company Limited as Trustee of The PV01 Charitable Trust Wessex House 5th Floor, 45 Reid Street Hamilton HM 12 Bermuda	100	1	0%	1 October 2024

Directors and Officers

The directors and officers of Digital Bonds Ltd are as set out in the table below:

Walkers Corporate (Bermuda) Limited Park Place 55 Par-la-Ville Road Hamilton HM 11 Bermuda	Secretary
Maxime Boonen Boulevard de l'Empereur 10 1000 Bruxelles Belgium	Director
Jan Wipplinger Boulevard de l'Empereur 10 1000 Bruxelles Belgium	Director
Manuela Warnier Boulevard de l'Empereur 10 1000 Bruxelles Belgium	Director
Michael Wynne c/o Walkers Corporate (Bermuda) Limited Park Place 55 Par-la-Ville Road Hamilton HM 11 Bermuda	Chief Compliance Officer

Licensing

Digital Bonds Ltd holds a Class T licence issued by the Bermuda Market Authority's Fintech Authorization and Licensing Committee (the "**FALC**") to operate a Digital Asset Business in accordance with the Digital Asset Business Act (2018) (as amended) in the category of issuing, selling or redeeming virtual coins, tokens or any other form of digital asset.

Digital Bonds Ltd does not conduct offers of digital asset issuances to the public in any jurisdiction and is therefore not required to be authorised to conduct digital asset issuances under the Digital Asset Issuance Act 2020 (as amended) of Bermuda.

History and Development

Digital Bonds Ltd was incorporated as an SPV in Bermuda in August 2023 and thus has only a limited operating history.

Recent Events of Particular Significance

In the view of the Issuer, there have been no recent events of particular significance since its establishment which would be of high importance to the evaluation of the Issuer's solvency.

Ratings

As of the date of this Offering Memorandum, the Issuer is not rated.

Material Changes

There have been no material changes in the Issuer's borrowing and funding structure since the date of its incorporation.

Principal Activities

The principal activity of Digital Bonds Ltd is the issuance by its designated segregated accounts of blockchain-based debt securities represented by cryptographic tokens and the application of the proceeds of such issuances to the acquisition of collateral against which such debt securities are secured. The Issuer's sole activity (as a segregated account of Digital Bonds Ltd) is the issuance of the Digital Bonds and the application of the proceeds of such issuance to the acquisition of the Underlying T-bills (and activities ancillary thereto).

Digital Bonds Ltd has covenanted (both in its Bye-laws and in its service agreements with the Arranger and Tokenizer) that it shall not undertake any activity (other than to maintain its existence) unless the Arranger makes a proposal for the issuance by a segregated account of Digital Bonds Ltd of digital assets and a corresponding investment of the proceeds thereof in assets chosen by the Arranger.

Principal Markets

Subject to applicable laws and regulations governing the distribution of the Digital Bonds, the Issuer offers its Digital Bonds mainly in the United Kingdom and in the European Union ("**EU**"). The Digital Bonds are not currently offered in the United States or to US Persons.

Employees

As at the date of this Offering Memorandum, Digital Bonds Ltd does not have any employees.

Financing of the Issuer's Activities

Digital Bonds Ltd funds its business operations by a surcharge on the issue price of the digital assets issued by its segregated accounts (referred to as "issuance fees"). In the case of the Digital Bonds issued by the Issuer, the Issuance Fee shall not exceed USDC 100.00.

Initially, the operating costs of Digital Bonds Ltd (acting in respect of its general account) will be funded by the Arranger, PV01 Capital Markets Ltd. (also incorporated in Bermuda) ("**PV01**" or the "**Arranger**") in accordance with the Arranger Agreement.

Pursuant to the Arranger Agreement, PV01 in its capacity as Arranger has undertaken to pay a one-time participation fee to Digital Bonds Ltd in consideration for the participation of the segregated accounts of Digital Bonds Ltd in digital asset issuances proposed by the Arranger, in the amount of USD 10,000.

Pursuant to the Tokenization Agreement, PV01 in its capacity as Tokenizer has also undertaken to pay on the Issuer's behalf or put the Issuer in funds sufficient to pay any amounts due from the Issuer to its service providers in connection with the issuance of the Digital Bonds.

Following an initial test period of operations, the issuance fees earned by the segregated accounts of Digital Bonds Ltd in connection with the issuance of digital assets should be sufficient to cover all of Digital Bonds Ltd's operating costs.

Tax Exemption

The Issuer has been incorporated with limited liability under the laws of Bermuda as an exempted company and, as such, has obtained an assurance from the Minister of Finance of Bermuda in the following form:

"BERMUDA TAX ASSURANCE

WHEREAS the Minister of Finance (the "**Minister**"), pursuant to section 2 of the Exempted Undertakings Tax Protection Act 1966, is authorised to enter into an arrangement with any exempted undertaking upon application.

WHEREAS such undertakings may be given an assurance that in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, then the imposition of any tax described herein shall not be applicable to such undertakings or to any of its operations or the shares, debentures or other obligations of the said undertakings.

THEREFORE the Minister, upon application, hereby grants the aforementioned assurance to:
Digital Bonds Ltd (the "**Undertaking**")

PROVIDED THAT this assurance shall not be construed so as to:

(i) prevent the application of any such tax or duty to such persons as are ordinarily resident in these Islands; and

(ii) prevent the application of any tax payable in accordance with the provisions of the Land Tax Act 1967 or otherwise payable in relation to the land leased to the Undertaking.

THIS TAX ASSURANCE shall be in effect until the 31st day of March 2035."

As a result of changes made to the Exempted Undertakings Tax Protection Act 1966 (as amended) (the "**EUTP Act**") by the CIT Act (as defined below), this assurance has been made subject to the application of any taxes pursuant to the CIT Act, as described further below.

The Issuer has obtained from the Bermuda Minister of Finance under the Exempted Undertaking Tax Protection Act 1966, as amended, an assurance that, in the event that Bermuda enacts legislation imposing tax computed on profits, income, any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance, then the imposition of any such tax shall not be applicable to the Issuer or any of its operations or its shares, debentures or other obligations, until March 31, 2035. This assurance is subject to the proviso that it is not to be construed so as to prevent the application of any tax or duty to such

persons as are ordinarily resident in Bermuda or to prevent the application of any tax payable in accordance with the provisions of the Bermuda Land Tax Act 1967, as amended, or otherwise payable in relation to any property leased to the Issuer. Given the limited duration of the Bermuda Minister's assurance, the Issuer cannot be certain that it will not be subject to any Bermuda tax after March 31, 2035.

As a result of the Corporate Income Tax Act 2023 (the "**CIT Act**"), this assurance has been made subject to the application of any taxes pursuant to the CIT Act, as described further below.

On 20 December 2021, the OECD published the draft Global Anti-Base Erosion Model Rules which were aimed at ensuring that multinational enterprises ("**MNEs**") would be subject to a global minimum 15% tax rate from 2023 ("**GloBE Rules**").

In the 2023 budget, the Bermuda government announced the formation of an International Tax Working Group (the "**Working Group**") consisting of specialists in international tax matters and representatives of various bodies whose members may be directly impacted by such to examine how Bermuda can appropriately implement the GloBE Rules. The Working Group reported its findings and provided recommendations to the Bermuda government in July 2023. The Bermuda government subsequently issued three public consultation papers as part of its considerations on the introduction of a corporate income tax in Bermuda, on 8 August 2023, 5 October 2023 and 10 November 2023. On 27 December 2023, the Bermuda government passed the CIT Act, which will become fully operative with respect to the imposition of corporate income tax on 1 January 2025.

Under the CIT Act, Bermuda corporate income tax will be chargeable in respect of fiscal years beginning on or after 1 January 2025 and will apply only to Bermuda entities that are part of MNE groups with €750 million or more in annual revenues in the consolidated financial statements of the ultimate parent entity for at least two of the four fiscal years immediately preceding the fiscal year in question ("**Bermuda Constituent Entity Group**"). The CIT Act also provides for certain exclusions and, subject to election, the following entities shall not form part of a Bermuda Constituent Entity Group: excluded entities (as defined), and an entity that is less than 80% owned (by value), directly or indirectly, by the ultimate parent entity of the relevant in scope MNE group. Where corporate income tax is chargeable to a Bermuda Constituent Entity Group, the amount of corporate income tax chargeable for a fiscal year shall be (a) 15% of the net taxable income of the Bermuda Constituent Entity Group less (b) tax credits applicable to the Bermuda Constituent Entity Group under Part 4 of the CIT Act, or as prescribed. The CIT Act introduces certain 'qualified refundable tax credits' which are set to be developed during 2024 to incentivise companies to support Bermuda residents through investments in key areas such as education, healthcare, housing, and other projects to help develop Bermuda's workforce. Bermuda will continue to monitor further developments around the world as other jurisdictions address the OECD's standards.

A "group" is defined for the purposes of the CIT Act as a collection of entities that are related through ownership or control such that the assets, liabilities, income, expenses and cash flows of those entities are included in the consolidated financial statements of the ultimate parent entity, or are excluded from the consolidated financial statements of the ultimate parent entity solely on size or materiality grounds, or on the grounds that the entity is held for sale.

Assuming that the Issuer is not a member of a "group" for the purposes of the CIT Act, the Issuer should not be within the scope of the CIT Act.

On the understanding that the Issuer is not a member of an MNE group which has annual revenues of EUR750 million or more in at least two out of the previous four fiscal years, the Issuer does not expect to be part of a Bermuda Constituent Entity Group and should therefore fall outside the scope of the CIT Act.

The Bermuda government and/or the Working Group is expected to publish guidance on the application of the CIT Act.

Bermuda has a tax treaty with the United States, which was signed in 1986 and came into force in 1988. However, the agreement applies only to federal income taxes and excise taxes in relation to insurance business. In addition, Bermuda has entered into a tax information exchange agreement with the United States and has entered into tax information exchange agreements with certain other jurisdictions pursuant to the CRS.

Description of the Arranger and Tokenizer

Information about the Arranger and Tokenizer

Legal and Commercial Name

The legal and commercial name of the Arranger and Tokenizer is PV01 Capital Markets Ltd. ("**PV01**").

Domicile, Legal Form and other Information

PV01 is incorporated in Bermuda, with registered company number 202302581 and its registered office at c/o Walkers Corporate (Bermuda) Limited, Park Place, 55 Par-la-Ville Road, Hamilton HM 11, Bermuda.

The contact e-mail address for PV01 is jan@pv0.one.

The Pivio Platform web address is www.pv0.one.

Directors and Officers

The directors and officers of PV01 are as set out in the table below:

Walkers Corporate (Bermuda) Limited Park Place 55 Par-la-Ville Road Hamilton HM 11 Bermuda	Secretary
Flavio Molendini Boulevard de l'Empereur 10 1000 Bruxelles Belgium	Director
Maxime Boonen Boulevard de l'Empereur 10 1000 Bruxelles Belgium	Director
Michael Wynne c/o Walkers Corporate (Bermuda) Limited Park Place 55 Par-la-Ville Road Hamilton HM 11 Bermuda	Chief Compliance Officer

Licensing

PV01 holds a Class T licence issued by the Bermuda Market Authority's Fintech Authorization and Licensing Committee (the "**FALC**") to operate a digital asset business, in accordance with the business plan presented by it to the FALC, pursuant to Section 10 paragraph 2 of the Digital Asset Business Act (2018) (as amended) of Bermuda to operate as a digital asset services vendor and to provide custodial wallet services.

History and Development

At the time of writing this Offering Memorandum, PV01 has not been involved in any digital asset business or digital asset issuance in Bermuda other than the transactions described herein.

Principal Activities

The business of PV01 is to participate in the convergence of blockchain technologies and conventional financial markets. PV01 specifically operates as a broker-dealer and digital asset services vendor in respect debt claims represented by digital tokens.

The primary activity of PV01 is the arrangement of digital asset issuances on behalf of issuers and engaging with clients and counterparties. It provides arrangement and tokenization services for the Issuer and promotes the sale and distribution of the Digital Bonds. PV01 has the necessary tools, technology, and expertise to tokenize digital assets on the blockchain or distributed ledger technology platform.

Principal Markets

PV01 offers its services mainly in the United Kingdom and in the EU.

Shareholders

PV01 is a wholly owned subsidiary of HDL MF SA, a company incorporated in Belgium with its registered office at 10 Boulevard de l'Empereur, 1000 Brussels, Belgium and registered under number 0793.243.927 in the Register of Legal Entities (Brussels, French-speaking section) (the "**Parent Company**").

Upon the incorporation of PV01, an initial share capital of $100,000 was provided by the Parent Company consisting of 100,000 of ordinary shares with a par value of $1.00 each.

Parent Company

HDL MF SA is a *société anonyme* incorporated and existing under the laws of Belgium, with registered office at 10 Boulevard de l'Empereur, 1000 Brussels, Belgium and registered under number 0793.243.927 in the Register of Legal Entities (Brussels, French-speaking section).

HDL MF SA is privately owned and its majority shareholders are the two co-founders, Maxime Boonen and Flavio Molendini. The equity capital raised was €8,561,500. It is represented by 1,257,575 shares, comprising 1,000,000 ordinary shares and 257,575 seed preference shares. All shares are registered shares.

The Parent Company has three directors: Maxime Boonen (Chairman), Flavio Molendini and Nicolas Priem (representative of the Parent Company's lead investor).

Financing of PV01's Activities

PV01 funds its business operations through the fees charged to its clients for the provision of arrangement and tokenization services in connection with the issuance of digital assets issuances. In connection with the issuance of the Digital Bonds by the Issuer, the Tokenization Services Fee shall not exceed 0.20% of the gross issuance proceeds on an annualised basis.

Pursuant to an intragroup loan agreement dated 13 November 2023 between PV01 and the Parent Company, the Parent Company has provided PV01 with an interest-free term loan in the amount of USD1,000,000 maturing on 16 November 2025.

Employees

As at the date of this Offering Memorandum, PV01 has one employee, its Chief Compliance Officer. Pursuant to an intra-group service level agreement, the Parent Company supplies administrative, legal, commercial and technological support to PV01 as needed to conduct its operations.

Representations and Acknowledgements by Holders

References in this Section to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

By virtue of acquiring any Digital Bond (whether by receipt of a Digital Bond Token or a Bond Token Receipt), each Holder shall be deemed to have represented, warranted and acknowledged to each of the Issuer, the Arranger and the Tokenizer (i) at the time of its acquisition of such Digital Bond; and (ii) at the time of submitting a claim for any payment under the Digital Bonds that:

1.

(a) it has consulted with its own legal, regulatory, tax, business, investments, technology, financial and accounting advisors to the extent that it has deemed necessary, and has made its own investment, hedging, and trading decisions based upon its own judgment and upon any advice from such advisors as it has deemed necessary or appropriate in connection with its decision to invest in the Digital Bonds and not upon any view expressed by the Issuer, the Arranger, the Tokenizer or any of their agents or service providers and on that basis believes that an investment in the Digital Bonds is suitable and appropriate for it to make and it is not relying on the Issuer, the Arranger, or any of their respective affiliates, partners, members, officers, counsel, agents or representatives for any legal, lending, tax or other advice;

(b) it is acquiring the Digital Bonds with a full understanding of the terms, conditions and risks thereof and it is capable of and willing to assume those risks;

(c) it has the appropriate understanding of blockchain/distributed ledger technology and other technological features such as smart contracts, storage mechanisms and blockchain/distributed ledger-based software systems, to be able to evaluate the risks and merits of purchasing the Digital Bonds, to evaluate the risk associated with the blockchain/distributed ledger technology and to make its investment decision;

(d) it has reviewed in full and understands the Offering Memorandum and, in particular, the sections entitled "*Risk Factors*", "*Selling Restrictions*", "*Sanctions, Transfer Restrictions and Eligibility Criteria*", "*Terms and Conditions of the Digital Bonds*" and "*Terms and Conditions of the Offer*" in the Offering Memorandum;

(e) other than the Offering Memorandum provided to the Holder by or on behalf of the Issuer, the Holder is not relying on any information given or purported to be given on behalf of the Issuer in determining to make any investment in the Digital Bonds (it being understood that no person has been authorized by the Issuer to furnish any information);

(f) no representations or warranties have been made to the Holder by the Issuer, or any of its respective members, or any agent of said persons or entities, other than as expressly set forth in the Offering Memorandum;

(g) it has been afforded an opportunity to ask questions of, receive satisfactory answers from, and engage in discussions with the Issuer concerning the Issuer's business, management and financial affairs, and the terms and conditions of the Digital Bonds, the Available Documents and the Offering Memorandum. The Issuer has made available any and all additional information requested by it. It understands that such questions, answers and, as well as any other written information delivered or made available by the Issuer to the Holder, were intended to describe the aspects of the Issuer's business which it believes to be material;

(h) it has consulted with its own legal or regulatory advisors to the extent that it has deemed necessary to understand the legal and regulatory requirements applicable to the Digital Bonds and the Digital Bond Tokens in its jurisdiction as well as any ongoing regulatory developments with respect thereto, and acknowledge that the law, regulation and supervisory guidelines and expectations with respect to the Digital Bonds may evolve rapidly and be subject to change and uncertainty;

(i) it has consulted with its own tax advisors to the extent that it has deemed necessary to understand the relevant tax implications and tax reporting considerations applicable to the Digital Bonds and the Digital Bond Tokens;

(j) it has conducted its own due diligence review, investigation and analysis of the DLT, the Bond Smart Contract, the Digital Bond Tokens, the Issuer, the Arranger, the Tokenizer, the Broker, the On-Off Ramper, the Custodian and the Security Agent, and has been satisfied in all respects with the results of such due diligence;

(k) it (1) has the requisite knowledge and experience in financial, technology (including, without limitation, blockchain technology) and business matters to evaluate the merits and risks of an investment in the Digital Bonds and the information contained or incorporated by reference into the Offering Memorandum, and to protect its own interests in connection with the transaction; (2) is able to incur a complete loss of making such investment without impairing its financial condition;

(l) it has access to, and knowledge of, appropriate analytical tools to evaluate such merits and risks in the context of the potential investor's particular financial situation and to evaluate the impact the Digital Bonds will have on its overall investment portfolio;

(m) it has the requisite knowledge, experience and technical competence to interact with relevant Smart Contracts on the DLT in order to discharge any obligations in respect of the Digital Bonds and the Digital Bond Tokens;

(n) it is capable of bearing the economic risk of an investment in the Digital Bonds until the Maturity Date of the Digital Bonds;

(o) it complies with the KYC/AML Rules and Sanctions (as such terms are defined below) and is not a Sanctioned Person (as such term is defined below);

(p) it recognises that it may not be possible to dispose of the Digital Bonds for a substantial period of time, if at all, before the Maturity Date and that it may only be able to do so at a price which is less than its initial investment; it understands that no public market now exists for any Digital Bonds, and that the Issuer has made no assurances that a public market will ever exist therefor;

(q) it accepts that the Issuer, the Arranger and the Tokenizer shall have no liability to it and any third parties whatsoever with respect to the functionality, availability, compliance with applicable laws, suitability, malfunction, or any function that operates in an unexpected manner of the DLT; and

(r) it is a 'professional', 'qualified', 'institutional' or 'accredited' investor or 'eligible counterparty' (or equivalent, as defined under the laws of its home jurisdiction) and not a 'retail investor' (or equivalent, as defined under the laws of its home jurisdiction) and is otherwise a person to whom the Digital Bonds may lawfully be offered and sold in accordance with the

restrictions set out in the section of the Offering Memorandum entitled "*Selling Restrictions*", all other applicable laws of its home jurisdiction and the Eligibility Criteria.

For purposes of the foregoing:

"**Affiliate**" means any person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person.

"**KYC/AML Rules**" means, in connection with and to the extent applicable to any Holder, the obligations upon that Holder and its Affiliates under the money laundering, counter-terrorism financing, non-proliferation, anti-bribery, anti-corruption and anti-trafficking statutes and the rules and regulations promulgated thereunder and any related or similar rules, regulations or guidelines, issued, administered and/or enforced by any governmental agency having jurisdiction over such Holder and/or its Affiliates.

"**Sanctioned Person**" means any individual or entity (for the avoidance of doubt, the term entity includes, but is not limited to, any government, group or terrorist organisation) who is a designated target of, or is otherwise a subject of, Sanctions (including, without limitation, as a result of being owned or otherwise controlled directly or indirectly by any individual or entity who is a designated target of, or who is otherwise a subject of, Sanctions).

"**Sanctions**" means any economic or financial sanctions laws, regulations, trade embargoes or other restrictive measures (including, but not limited to, measures in relation to the financing of terrorism) enacted, administered, implemented or enforced from time to time by any of the following:

a) the United Nations, including, *inter alia*, the United Nations Security Council;
b) the European Union, including, *inter alia*, the Council of the European Union and the European Commission, and any other competent bodies, institutions or agencies of the European Union;
c) the government of the United States of America, and any department, division, agency or office thereof, including, *inter alia*, the Office of the Foreign Asset Control (OFAC) of the United States Department of Treasury, the United States Department of State and/or the United States Department of Commerce; and
d) the government of the United Kingdom, and any department, division, agency, office or authority, including, *inter alia*, the Office of Financial Sanctions Implementation of His Majesty's Treasury and the Department for International Trade of the United Kingdom.

2. Securities Law and other Regulatory Representations

a) The Holder has been advised, understands and acknowledges that any and all Digital Bonds have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), the securities laws of any state of the United States or the securities laws of any other country or jurisdiction and the Digital Bonds may not be reoffered, sold, pledged encumbered or otherwise transferred in the United States or to United States persons.

b) The Holder has been advised, understands and acknowledges that any and all Digital Bonds are being offered and sold by or on behalf of the Issuer in reliance on an exemption from the registration requirements of United States federal and state securities laws under Regulation S ("**Regulation S**") promulgated under the Securities Act, and in connection with such reliance, the Digital Bonds will be offered and sold by or on behalf of the Issuer only outside of the United States to persons that are not "U.S. persons" within the meaning of Regulation S.

c) The Holder understands and acknowledges that the Issuer is relying upon the truth and accuracy of the representations, warranties, certifications and covenants of the Holder set forth herein in order to determine the applicability of such exemptions and the suitability of the Holder to invest in the Digital Bonds.

d) The Holder has acquired the Digital Bonds in an "offshore transaction" as defined in Rule 902(h) of Regulation S.

e) The Holder has read and understands the definition of "U.S. person" in Rule 902 of Regulation S.

f) The Holder is not a "U.S. person" within the meaning of Rule 902 of Regulation S.

g) The Holder is not a "United States person" or a disregarded entity of a "United States person" for U.S. federal income tax purposes.

h) (1) Each of (i) the Holder and (ii) if the Holder is not a natural person, any and all individuals authorized to subscribe for or purchase the Digital Bonds on behalf of the Holder, was, is and will be domiciled and located outside of the United States on each date that any offer was made by on or behalf of the Issuer with respect to the Holder's purchase of the Digital Bonds, on each date on which it purchases any Digital Bonds and on each date of any payment to the Holder by the Issuer under the Digital Bonds, and (2) the Digital Bonds are not being acquired for the account or benefit of, nor will the Digital Bonds at any time be held, directly or indirectly, for the account or benefit of, any "U.S. person" within the meaning of Rule 902 of Regulation S.

i) The Holder will not take any action that would have any adverse effect on the Issuer's reliance on Regulation S of the Securities Act.

j) The Holder has been advised, understands and acknowledges that to facilitate compliance with applicable securities laws, the Digital Bonds may not be offered, sold, resold, pledged, hypothecated or otherwise Transferred (as defined below) except when made (1) in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from registration; (2) in accordance with applicable, laws, rules and regulations; and (3) in accordance with the requirements and conditions set forth in the Conditions, including, without limitation, the Transfer Restrictions set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*); and the foregoing restrictions are and will be binding upon any and all subsequent Transferees of any Digital Bonds.

k) The Holder has been advised, understands and acknowledges that there are material restrictions on the Transfer of the Digital Bonds, as set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) hereof and that the Issuer may take any and all actions that the Issuer may determine, in its sole and absolute discretion, to be necessary or appropriate to prevent (or to facilitate or support the prevention of) any or all unauthorized Transfers or to enforce (or to facilitate or support the enforcement of) any or all Transfer restrictions set forth herein, including but not limited to: (1) requiring any Holder which has acquired Digital Bonds in breach of such Transfer Restrictions or the Eligibility Criteria to transfer such Digital Bonds to another eligible Person; (2) adding or maintaining the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist; or (3) withholding any payment otherwise due under the Digital Bonds to such ineligible Holder.

l) The Holder is not a "distributor" within the meaning of Regulation S.

m) The Holder has not acquired the Digital Bonds as a result of, has not engaged in, the Holder is not aware that the Issuer or any other person has engaged in, and the Holder will not engage in or cause any party to engage in, any "directed selling efforts," within the meaning of Regulation S, in the United States with respect to the Digital Bonds which would include any activities undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the resale of the Digital Bonds.

n) The Offering Memorandum is the only "offering material," within the meaning of Rule 902(g)(2) of Regulation S, that has been provided or made available to the Holder in connection with the Digital Bonds.

o) The Digital Bonds to be acquired by the Holder will be acquired for investment for the Holder's own account, not as a nominee or agent, and not with a view to their resale or distribution, and the Holder has no present intention of selling or otherwise distributing the same. The Holder does not presently have any contract, undertaking, agreement or arrangement with any person to sell or otherwise Transfer the Digital Bonds to such person or to any third person, with respect to any Digital Bonds. The Holder has not been formed for the specific purpose of acquiring any Digital Bonds.

p) The Holder has complied with, and has satisfied itself as to the full observance of, the laws of its jurisdiction in connection with its investment in the Digital Bonds, including but not limited to: (1) any and all legal requirements within its jurisdiction for the purchase of the Digital Bonds, (2) any and all foreign exchange restrictions applicable to such transaction, (3) any and all governmental or other consents that may need to be obtained and (4) the income tax and other tax consequences, if any, that may be relevant to the purchase, holding, redemption, sale, resale or Transfer of any Digital Bonds. The Holder's subscription and payment for and continued beneficial ownership of such Digital Bonds will not violate any applicable securities or other laws, rules or regulations of the Holder's jurisdiction.

q) For U.S. federal income tax purposes, the person acquiring the Digital Bonds is a person that is not a citizen or resident of the United States of America, a domestic partnership, a domestic corporation, an estate or trust the income of which is subject to United States Federal income taxation regardless of its source, or a person that is treated as a disregarded entity of any of the foregoing for U.S. federal income tax purposes. The Issuer and you agree that this certification shall constitute an electronic certificate (as described in Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(ii)) that shall have the effect of a signed certificate described in Treasury Regulations Section 1.163-5(c)(2)(i)(D)(3)(i).

r) The Holder is not a New York resident (within the meaning of Section 200.2(h) of the New York Codes, Rules and Regulations). The Holder agrees and acknowledges that if such Holder becomes a New York resident after acquiring the Digital Bonds, the Issuer shall be permitted to (1) require the Holder to transfer such Digital Bonds to another eligible Person; (2) add or maintain the digital wallet address of the Holder to the Digital Wallet Blacklist; or (3) withhold any payment otherwise due under the Digital Bonds.

3. Acknowledgement of Risks and Restrictions

The Holder has been advised, understands, acknowledges and agrees to the following:

a) The Digital Bonds have not been and will not be registered under the Securities Act, the securities laws of any state within the United States or the securities laws of any jurisdiction outside of the United States. In addition, the Issuer is not an investment company under the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**") and will therefore not be registered as such thereunder. Consequently, Holders will not be afforded the protections of the Investment Company Act.

b) The Digital Bonds have not been approved or disapproved by any U.S. federal, U.S. state or foreign securities commission or other regulatory authority in any jurisdiction, and none of the foregoing has passed on the accuracy or adequacy of this document, the merits of an investment in the Digital Bonds.

c) An investment in the Digital Bonds is speculative and involves a substantial degree of risk of loss by the Holder, including the possibility of loss of the Holder's entire investment. The Holder understands that the Issuer's future performance is dependent on a number of factors beyond the control of the Issuer and that the Holder's investment is subject to significant risks, including but not limited to those set forth in the Offering Memorandum. The Holder has read and understands the Offering Memorandum, including but not limited to the risk factors set forth therein, and fully understands, acknowledges and assumes all risks

relating to making an investment in the Digital Bonds, including but not limited to those set forth in the Offering Memorandum.

d) The Holder has been advised to consult with the Holder's own attorneys and other advisors regarding legal and tax matters concerning an investment in the Digital Bonds and has done so to the extent the Holder considers necessary.

e) The Digital Bonds may not be offered, sold, resold, pledged, hypothecated or otherwise Transferred except when made (1) in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the Securities Act, or pursuant to an available exemption from registration; (2) in accordance with applicable, laws, rules and regulations; and (3) in accordance with the requirements and conditions set forth in the Offering Memorandum, including, without limitation, the Transfer Restrictions set forth in Schedule 2 (*Sanctions, Transfer Restrictions and Eligibility Criteria*) to the Conditions.

4. Privacy Notice

If the Holder is a natural person, he or she has received a notice regarding privacy of information (as set out in Schedule 3 (*Privacy Notice*) to the Conditions (the "**Privacy Notice**"). In accordance with such Privacy Notice, the Holder acknowledges and agrees that the Issuer may disclose non-public personal information of the Holder to the Issuer's accountants, attorneys and other service providers as necessary to effect, administer and enforce the Issuer's and the Holders' rights and obligations.

5. Money Laundering and OFAC

The Holder hereby acknowledges that the Issuer seeks to comply with all applicable laws concerning money laundering and related activities.

In furtherance of those efforts, the Holder hereby represents, warrants and agrees that, to the best of the Holder's knowledge based upon appropriate diligence and investigation:

(i) none of the cash or property that the Holder has paid, will pay or will contribute to the Issuer (including any amounts attributable to beneficial owners or underlying Holders of the Holder) has been or will be derived from, or related to, any activity that is deemed criminal under United States law or that is an offense against a nation other than the United States involving (a) the manufacture, importation, sale, or distribution of a controlled substance (as such term is defined for the purposes of the Controlled Substances Act), (b) murder, kidnapping, robbery, extortion, destruction of property by means of explosive or fire, or a crime of violence, (c) fraud, or any scheme or attempt to defraud, by or against a foreign bank (as defined in paragraph 7 of section 1(b) of the International Banking Act of 1978), (d) bribery of a public official, or the misappropriation, theft, or embezzlement of public funds by or for the benefit of a public official, or (e) smuggling or export control violations involving an item controlled on the United States Munitions List established under section 38 of the Arms Export Control Act (22 U.S.C. 2778) or an item controlled under regulations under the Export Administration Regulations (15 C.F.R. Parts 730–774); and

(ii) no funding by the Holder to the Issuer, to the extent that it is within the Holder's control, shall cause the Issuer to be in violation of the United States Bank Secrecy Act, the United States Money Laundering Control Act of 1986 or the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001, any other anti-money laundering or anti-terrorist laws and any regulations, including regulations administered by the U.S. Department of Treasury's Office of Foreign Assets Control ("**OFAC**"). The Holder shall promptly notify the Issuer if any of the representations in this section cease to be true and accurate regarding the Holder.

The Holder should check the OFAC website (https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx) before making the following representations:

(i) To the Holder's knowledge, the Holder's investment in the Digital Bonds is not, and will not be, directly or indirectly derived from activities that may contravene federal, state and international laws and regulations, including anti-money laundering laws.

Please note that U.S. statutes, Federal regulations and Executive Orders administered by OFAC prohibit, among other things, the engagement in transactions with, and the provision of services to, certain countries, territories, entities and individuals. Lists of individuals and entities targeted by OFAC-administered sanctions include the List of Specially Designated Nationals and Blocked Persons and the Consolidated Sanctions List, which can be found on the OFAC website at:

https://ofac.treasury.gov/specially-designated-nationals-and-blocked-persons-list-sdn-human-readable-lists and https://ofac.treasury.gov/consolidated-sanctions-list-non-sdn-lists (each, an "**OFAC List**").

Countries, territories and jurisdiction subject to comprehensive OFAC embargoes currently include Cuba, Iran, North Korea, Syria, the Crimea region of Ukraine and the self-declared independent Luhansk and Donetsk regions of Ukraine (each such jurisdiction, and any jurisdiction that becomes subject to comprehensive, embargo-like sanctions, a "**Targeted Jurisdiction**").

(ii) None of (1) the Holder; (2) any person controlling, controlled by, or under common control with the Holder; (3) if the Holder is a privately held entity, any person having a beneficial interest in the Holder; or (4) any person for whom the Holder is acting as agent or nominee in connection with its investment in the Digital Bonds (all natural persons described by the foregoing clauses (2) through (4) being referred to as "**Related Persons**"), is, or is owned or controlled by any individuals or entities that are (i) the target of any sanctions administered by OFAC; or (ii) located, organized or resident in a Targeted Jurisdiction.

The Holder will not, directly or indirectly, transfer, lend, contribute or make available the Digital Bonds to any person located or resident in a Targeted Jurisdiction or utilize the Digital Bonds in any manner that would violate any sanctions administered by OFAC. The Holder, if an entity, or acting as an agent or nominee, has adopted procedures to acquire information from the persons described in clauses (2) through (4) above that substantiates the statements contained in the foregoing representation.

The Issuer cannot accept an investment in the Digital Bonds from the Holder if the Holder cannot make the foregoing representations in this section.

(iii) No Related Person of the Holder is a senior foreign political figure, or an immediate family member or close associate of a senior foreign political figure, within the meaning of the U.S. Department of Treasury's Guidance on Enhanced Scrutiny for Transactions That May Involve the Proceeds of Foreign Official Corruption and as referenced in the USA PATRIOT Act of 2001.5

The Holder will promptly notify the Issuer if it becomes aware of any information that causes the representations set forth in clause (iii) above to no longer be true. The Holder is advised that in the event any representation required by any anti-money laundering laws or regulations or by OFAC is no longer true, the Issuer may be legally obligated to "freeze the account" of the Holder by adding the digital wallet address of the Holder to the Digital Wallet Blacklist, preventing any further dealings in the Digital Bond Tokens held by the Holder and refusing to make payment of any amount in respect of the Digital Bonds to the Holder. The Issuer may also be required to report such action and to disclose the Holder's identity to OFAC or other applicable authority. The Holder further understands that the Issuer may release confidential information about the Holder and, if applicable, any underlying beneficial owners, to proper authorities if the Issuer, in

its sole discretion, determines that it is in the best interests of the Issuer in light of relevant rules and regulations under applicable laws.

The Holder agrees, (i) except as prohibited by applicable law, to obtain and provide the Issuer, the Tokenizer its agents or representatives, the Security Agent or any Paying Agent (each a "**Relevant Party**"), with information or documentation, and to update or correct such information or documentation as may be necessary or helpful (in the sole determination of the Relevant Party) to achieve compliance with any tax reporting rules or to comply with similar obligations in any applicable jurisdictions, (ii) that the Relevant Party may provide such information and documentation and any other information concerning its holding of the Digital Bonds and the Digital Bond Token(s) evidencing such holding to the U.S. Internal Revenue Service and any other relevant tax authority and take such other steps as the Relevant Party deems necessary or helpful to achieve compliance with any tax reporting rules and (iii) if the Holder fails for any reason to comply with sub-paragraph (i) above, or is or becomes a Person who is not permitted to hold the Digital Bonds under applicable tax laws, the Issuer will have the right, in addition to withholding on payments made by it or any Relevant Party on its behalf, to retain such amounts to pay the costs related to such noncompliance (including any taxes imposed by FATCA) from time to time and any amounts remaining after paying such costs released to the Holder at such time that the Issuer determines that the Holder complies with sub-paragraph (i) above. Any amounts retained in respect of such Digital Bonds shall be treated for all purposes under the Conditions as if such amounts had been paid directly to the Holder; provided that any amounts will be released to the Holder on the date of final payment (or as soon as reasonably practical thereafter). The Holder agrees to indemnify the Issuer and the Relevant Party for all damages, costs and expenses that result from its failure to comply with its obligations under sub-paragraph (i). This indemnification will continue even after the Holder ceases to have an interest in any Digital Bonds.

7. Reaffirmation.

The Holder agrees that each of the foregoing representations, warranties, certifications, and covenants will be deemed to be reaffirmed by the Holder at any time the Holder makes any subsequent investment in the Digital Bonds (whether from the Issuer or another person) or receives any payment from the Issuer, and any such investment, receipt or payment will be conclusive evidence of the Holder's reaffirmation.

If any of the foregoing representations, warranties, certifications, or covenants ceases to be true, the Holder will promptly notify the Issuer of the facts pertaining to the change in circumstances.

The Holder agrees to provide all information and execute and deliver any and all documents that the Issuer may reasonably request from time to time in order to verify the accuracy of the Holder's representations, warranties and covenants or to comply with any law, rule or regulation to which the Issuer, the Arranger or their respective affiliates may be subject.

Holder Instructions to the Security Agent

In accordance with Condition 50) (*Holder Instructions*), by acquiring any Digital Bond (whether by receiving a Digital Bond Token or a Bond Token Receipt), each Holder shall be deemed to have authorized and instructed the Security Agent at the time of its acquisition of such Digital Bond to take each of the following actions (together, the "**Holder Instructions**"):

a) take the following steps to exercise its rights under the Deed Poll (including these Conditions) and the Security Deed upon the occurrence of a Realization Event (as defined in Condition 23) (*Realization Event*):

i) deliver a Notice of Acceleration to the Issuer upon the receipt of a Realization Event Notice (other than in relation to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) in accordance with Condition 24)b) (*Enforcement – Acceleration*);

ii) deliver an Enforcement Notice to the Issuer upon receipt of a notice from the Issuer or the Tokenizer, following the occurrence of a Realization Event other than a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), that 10 Business Days after the related Realization Event Notice the Realization Event is continuing and (if applicable) the Digital Bonds have been declared due and payable and such declaration and its consequences have not been rescinded and annulled, in accordance with Condition 24)d) (*Realization of Collateral*);

iii) upon the Security becoming enforceable in accordance with Condition 24)d) (*Enforcement – Realization of Collateral*), subject to the terms of the Deed Poll and the Security Deed, to the full extent permitted by applicable law:

(1) take control over the Collateral Accounts pursuant to the Securities Account Control Agreement by delivering a Notice of Exclusive Control to the Custodian in accordance with the Securities Account Control Agreement notifying the Custodian that it shall no longer act on the instructions of the Issuer but on the instructions of the Security Agent in relation to the Collateral Accounts;

(2) provided there are at least 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), instruct the Custodian to liquidate the Underlying T-bills (and such other Collateral Securities) held in the Securities Collateral Account as quickly as possible and at the best price obtainable (acting in a commercially reasonable manner) and to deliver the net proceeds of such sale after deducting any transaction fees and any other unpaid fees, costs or expenses of the Custodian into the Cash Collateral Account; and

(3) if there are less than 10 calendar days remaining to the scheduled maturity date of the Underlying T-bills (or any other Collateral Securities), hold them in the Securities Collateral Account until maturity and distribute (or instruct the distribution of) any amounts received on the scheduled

maturity date of the Underlying T-bills (ad any other Collateral Securities) in accordance with Condition 25) (*Realization Event Priority of Payments*);

iv) following any Realization Event, distribute (or instruct the distribution of) the USD Realization Proceeds in the order of priority set out in Condition 25) (*Realization Event Priority of Payments*);

v) following any Realization Event, distribute (or instruct the distribution of) the Net Realization Proceeds to the Holders by any (or any combination) of the methods set out in Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*), in accordance with instructions received by it from the Tokenizer, *provided that* following the occurrence of a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*), such distribution shall only be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

vi) to convert any security interest created pursuant to Clause 4(a) (*Fixed Charge*) of the Security Deed which takes effect as, or is recharacterized as a floating charge with immediate effect into a fixed charge if:

(1) the Security becomes enforceable in accordance with the Conditions (except pursuant to a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*); or

(2) the Issuer requests the Security Agent to exercise any of its powers under the Security Deed;

b) to comply with the following instructions given to it by the Tokenizer (which instructions each Holder shall be deemed to authorize the Tokenizer to give to the Security Agent):

i) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26) (*Payment of Net Realization Proceeds upon Enforcement*), if the Issuer has determined that a Fork Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

ii) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26)c)iii) (*Payment of Net Realization Proceeds upon Enforcement*) if the Issuer has determined that a Distributed Ledger Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*); and

iii) any instructions given to it by the Tokenizer to distribute the Net Realization Proceeds off-chain in USD in accordance with Condition 26)c)iii) (*Payment of Net Realization Proceeds upon Enforcement*) if the Tokenizer has determined that a Depeg Event has occurred following the occurrence of a Realization Event, provided that, if a Realization Event specified in Condition 23)a)iv) (*Realization Event – Insolvency or Winding Up*) or Condition 23)a)v) (*Realization Event – Insolvency or Winding Up Proceedings*) has occurred, such distribution shall be made in accordance with Condition 26)c)iv) (*Payment of Net Realization Proceeds upon Enforcement*);

c) to deliver a notice to the Custodian jointly with the Issuer to terminate the Securities Account Control Agreement and advising the Custodian of the identity of any successor custodian where: (i) the Security Agent has been notified that the assets held in the Collateral Accounts are to be transferred into replacement collateral accounts with a successor custodian; (ii) the Issuer and the Security Agent have entered into an Amended and Restated Security Deed whereby the Issuer has granted security over such replacement collateral accounts on substantially the same terms as the Security granted under the Security Deed; and (iii) an account control agreement has been entered into among the Issuer, the Security Agent and the successor custodian in relation to the replacement collateral accounts on substantially the same terms as the Securities Account Control Agreement;

d) upon receipt of notice that the assets held in the Collateral Accounts are to be transferred into replacement collateral accounts with a successor custodian, to enter into (i) an Amended and Restated Security Deed whereby the Issuer will grant security over such replacement collateral accounts on substantially the same terms as the Security granted under the Security Deed and (ii) an account control agreement with the Issuer and the successor custodian in relation to the replacement collateral accounts on substantially the same terms as the Securities Account Control Agreement;

e) to deliver a notice to the Custodian pursuant to the Securities Account Control Agreement when the Security granted by the Issuer pursuant to the Security Deed has been unconditionally and irrevocably discharged in full confirming the same;

f) to act solely in accordance with instructions provided to it by the Tokenizer where the Security Agent is unable to take any action in relation to the Collateral or the enforcement of the Security due to a lack of instructions from the Holders in these Holder Instructions;

g) to agree to any amendment of the Arrangement and Tokenization Services Agreement proposed by the Issuer and the Tokenizer, subject to the provisos in Condition 45) (*Modifications; Updating of Documents*) *mutatis mutandis* as though references therein to the Security Deed were to the Arrangement and Tokenization Services Agreement; and

h) to agree to any amendment of the Security Deed proposed by the Issuer (subject to and in accordance with Condition 45) (*Modifications; Updating of Documents*) and execute an Amended and Restated Security Deed reflecting such amendments.

Taxation

References in this section to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

Taxation of Holders

Depending on the Holder's country of residence, holding the Digital Bonds may have tax implications, such as value-added tax, income or capital gains tax. Potential investors are advised to consult with their tax advisors as to their specific circumstances. Investors should consider whether such tax liabilities apply when investing in the Digital Bonds. Each Holder will assume and be solely responsible for all taxes of any jurisdiction, including central government or local state taxes or other like assessments or charges which may be applied in respect of the Digital Bonds.

Pursuant to Condition 12)c) (*Redemption - Early Redemption – Tax Event*), the Issuer may redeem all outstanding Digital Bonds at any time, *inter alia*, for certain tax reasons. Accordingly, investors should consult their personal tax advisors before making any decision to purchase the Digital Bonds and must be aware of and be prepared to bear the risk of a potential early redemption due to tax reasons.

Taxation of the Issuer

See "*Tax Exemption*" under the section entitled "*Description of the Issuer*" above.

The Issuer pays annual Bermuda government fees. In addition, all entities employing individuals in Bermuda are required to pay a payroll tax and there are other sundry taxes payable, directly or indirectly, to the Bermuda government.

Selling Restrictions

References in this section to the Digital Bonds shall be deemed, unless the context otherwise requires, to include reference to the Digital Bond Tokens and the Bond Token Receipts.

No action has been or will be taken by the Issuer that would permit a public offering of the Digital Bonds or possession or distribution of any offering material in relation to the Digital Bonds in any jurisdiction where action for that purpose is required. No offers, sales, resales, or deliveries of the Digital Bonds or distribution of any offering material relating to the Digital Bonds may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and which will not impose any obligation on the Issuer.

This Offering Memorandum does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Persons who obtain possession of this Offering Memorandum are required to inform themselves about and to adhere to any such restrictions. This Offering Memorandum does not constitute, nor may it be used for the purposes of, an offer or solicitation to subscribe for or to purchase any Digital Bonds in any jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Accordingly, this Offering Memorandum should not be used by anyone for this purpose.

A. Prohibited Jurisdictions The Digital Bonds the subject of this Offering Memorandum are not for distribution to any U.S. Person or to any person or address in the United States, Bermuda or in any other jurisdiction:

(i) to which a distribution would be unlawful (due to such jurisdiction being subject to Sanctions, such as residents of North Korea, Syria or Iran or otherwise); or
(ii) which may be classified as high-risk jurisdictions subject to a call for action according to the Financial Action Task Force ("**FATF**").

B. Professional Investors only The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor (or the equivalent, as defined under the laws of the home jurisdiction of the proposed investor or transferee) in any jurisdiction.

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EU (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the EEA has been or will be prepared and therefore offering or selling the Digital Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The communication of this Offering Memorandum and any other document or materials relating to the issue of the Digital Bonds offered hereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the FSMA. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public

in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Order), or within Article 49(2)(a) to (d) of the Order, or to any other persons to whom it may otherwise lawfully be communicated or caused to be communicated under the Order (all such persons together referred to as "relevant persons"). Any investment or investment activity to which this Offering Memorandum relates is available only to relevant persons and will be engaged in only with such persons. This Offering Memorandum must not be acted on or relied on by persons who are not relevant persons. The communication of this Offering Memorandum to any person in the United Kingdom who is not a relevant person is unauthorized and may contravene the FSMA.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Digital Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the EUWA; and (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 ("**MIFIR**") as it forms part of domestic law by virtue of the EUWA ("**UK MIFIR**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Digital Bonds or otherwise making them available to retail investors in the UK has been or will be prepared and, therefore, offering or selling the Digital Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

C. Jurisdiction-specific selling restrictions The below is not an exhaustive list. The Issuer does not represent the accuracy, currency or completeness of the below restrictions nor does it undertake to update them or to otherwise inform the Holders of any inaccuracies. Holders are responsible for informing themselves of the restrictions applicable in the jurisdictions into which they consider transferring any Digital Bonds and to take appropriate independent legal advice to comply with such laws and regulations.

i) United States

(1) The Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) are not for distribution to any U.S. Person or to any person or address in the U.S. As such, the Digital Bonds shall not be transferred except to persons that are outside of the United States and are not "U.S. Persons" within the meaning of Rule 902 of Regulation S.

(2) For these purposes:

(a) "**U.S. Person**" means:

(i) Any natural person resident in the United States;
(ii) Any partnership or corporation organized or incorporated under the laws of the United States;
(iii) Any estate of which any executor or administrator is a U.S. Person;
(iv) Any trust of which any trustee is a U.S. Person;
(v) Any agency or branch of a foreign entity located in the United States;
(vi) Any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
(vii) Any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
(viii) Any partnership or corporation if:
1. Organized or incorporated under the laws of any foreign jurisdiction; and

2. Formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a)) who are not natural persons, estates or trusts.

(b) The following are not "U.S. Persons":

(i) Any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States;
(ii) Any estate of which any professional fiduciary acting as executor or administrator is a U.S. person if:
1. An executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
2. The estate is governed by foreign law;
(iii) Any trust of which any professional fiduciary acting as trustee is a U.S. Person, if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. Person;
(iv) An employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country;
(v) Any agency or branch of a U.S. Person located outside the United States if:
1. The agency or branch operates for valid business reasons; and
2. The agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and
(vi) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans.

(c) "**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia.

ii) European Union ("EU") and European Economic Area ("EEA")

(1) In relation to each Member State which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), the Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that with effect from and including the date on which the Prospectus Regulation is implemented in that Relevant Member State ("**Relevant Implementation Date**"), it has not made and will not make an offer of the Digital Bonds to the public in that Relevant Member State, except that the Digital Bonds may, with effect from and including the Relevant Implementation Date, be offered to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(b) at any time in any other circumstances falling within Art. 1 Para. 4 of the Prospectus Regulation,

provided that no such offer of securities referred to in (a) or (b) above shall require the Issuer to publish a prospectus pursuant to the Prospectus Regulation.

(2) For the purposes of this provision, the expression "an offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities, as the same may be varied in that Member State by any measure implementing the Prospectus Regulation in that Member State.

(3) The Arranger has represented that it has not offered, sold or otherwise made available and each Holder shall be deemed to have agreed that it will not offer, sell or otherwise make available, any Digital Bonds to any retail investor in the EEA.

(4) For purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of Mi FID II; or

(iii) not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Digital Bonds to be offered so as to enable an investor to purchase or subscribe the Digital Bonds.

iii) Australia

(1) No prospectus or other disclosure document (as defined in the Corporations Act of 2001) of Australia (the "**Corporations Act**") in relation to the Digital Bonds has been (or will be) lodged with, or registered by, the Australian Securities and Investments Commission ("**ASIC**"). The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that it:

(a) has not offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Digital Bonds (or an interest in them) in, or into Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, the Offering Memorandum or any other offering material or advertisement relating to the Digital Bonds (or an interest in them) in Australia,

(c) unless:

(i) the aggregate consideration payable by each offeree is at least A$500,000 (or the equivalent in another currency, in either case, disregarding monies lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or 7.9 of the Corporations Act;

(ii) such action complies with all applicable laws, regulations and directives and does not require any document to be lodged with ASIC or any other regulatory authority in Australia; and

(iii) the offer or invitation is not made to a person who is a "retail client" within the meaning of section 761G of the Corporations Act.

iv) Austria

(1) In addition to the provisions of the "*Prohibitions of Sales to EEA Retail Investors*" above, the Digital Bonds may be offered for the first time in Austria only once a notification to the issue calendar (*Emissionskalender*) of the Austrian Control Bank (*Osterrreichische Kontrollbank Aktiengesellschaft*), all as prescribed by the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*), as amended, has been filed as soon as possible prior to the commencement of the relevant offer of the Digital Bonds.

(2) No prospectus has been or will be approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) and/or published pursuant to the Prospectus Regulation or has been or will be approved by the competent authority of another EEA member state and published pursuant to the Prospectus Regulation and validly passported to Austria.

(3) Neither this Offering Memorandum nor any other document connected therewith constitutes a prospectus according to the Prospectus Regulation, and neither this Offering Memorandum nor any other document connected therewith may be distributed, passed on or disclosed to any other person in Austria. No steps may be taken that would constitute a public offering of the Digital Bonds in Austria and the offering of the Digital Bonds may not be advertised in Austria. Digital Bonds will only be offered in Austria in compliance with the provisions of the Prospectus Regulation, the Austrian Capital Market Act 2019 (*Kapitalmarktgesetz 2019*) as amended, and all other laws and regulations in Austria applicable to the offer and sale of the Digital Bonds in Austria.

v) Bahrain

(1) This Offering Memorandum does not constitute an offer of securities in the Kingdom of Bahrain ("**Bahrain**") in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Offering Memorandum and related offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain (the "**CBB**"). Accordingly, the Digital Bonds cannot be offered, sold or made the subject of an invitation for subscription or purchase nor can this Offering Memorandum or any other related document or material be used in connection with any offer, sale or invitation to subscribe for or purchase the Digital Bonds, whether directly or indirectly, to persons in Bahrain, other than as marketing to accredited investors for an offer outside Bahrain.

(2) The CBB has not reviewed, approved or registered this Offering Memorandum or related offering documents and it has not in any way considered the merits of the Digital Bonds to be marketed for investment, whether in or outside Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Offering Memorandum and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Offering Memorandum.

(3) The Digital Bonds cannot be offered to the public in Bahrain and this Offering Memorandum must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

vi) Belgium

(1) This Offering Memorandum has not been submitted for approval to the Belgian Financial Services and Markets Authority.

(2) The Digital Bonds are not intended to be sold to Belgian Consumers. Accordingly, the Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Digital Bonds to Belgian Consumers, and has not distributed or caused to be distributed and will not distribute or cause to be distributed, this Offering Memorandum or any other offering material relating to the Digital Bonds to Belgian Consumers. For these purposes, a "Belgian Consumer" has the meaning provided by the Belgian Code of Economic Law, as amended from time to time (*Wetboek van 28 februari 2013 van economisch recht/Code du 28 fevrier 2013 de droit economique*), being any natural person resident or located Belgium and acting for purposes which are outside his/her trade, business or profession.

vii) Bermuda

(1) The Digital Bonds may be offered or sold in Bermuda only in compliance with the provisions of the Digital Assets Issuance Act 2020, the Investment Business Act 2003, the Exchange Control Act 1972 (and regulations made thereunder) and the Companies Act 1981 and the requirements of the related regulations of Bermuda which regulate the sale of securities in Bermuda. Non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

(2) The Bermuda Monetary Authority (the "**BMA**"), the Registrar of Companies and the Minister of Finance accept no responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed herein.

(3) The permission of the BMA is required, under the provisions of the Exchange Control Act 1972 and related regulations, for all issuances and transfers of securities of Bermuda companies to or from a non-resident of Bermuda for exchange control purposes, other than in cases where the BMA has granted a general permission. The BMA, in its notice to the public dated June 1, 2005, has granted a general permission for the issue and subsequent transfer of any securities, other than "Equity Securities" (as defined by the BMA for exchange control purposes) of a Bermuda company from and/or to a non-resident of Bermuda. In granting the general permission, the BMA accepts no responsibility for our financial soundness or the correctness of any of the statements made or opinions expressed in this Offering Memorandum.

(4) Except with the permission of the BMA, no person shall, in Bermuda, and no person resident in Bermuda shall outside Bermuda issue any bearer certificate or coupon. As such, the Digital Bonds shall not be offered or sold to a Holder that it is resident in, or engaged in or carrying on any trade or business in or from, Bermuda.

viii) Canada

(1) The Arranger has represented and agreed, and each Holder shall be deemed to have represented and agreed, that Digital Bonds may be sold only to Canadian purchasers purchasing, or deemed to be purchasing, as principal that are "accredited investors", as defined in National Instrument 45-116 *Prospectus Exemptions* ("**NI 45-116**") or subsection 73.3(1) of the Securities Act (Ontario), and are "permitted clients", as defined in National Instrument 31-113 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of such Digital Bonds must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

(2) Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Offering Memorandum (including any supplement or amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal adviser.

(3) The Digital Bonds have not been, and will not be, qualified for sale under applicable Canadian securities laws. The Arranger has represented and agreed, and each Holder shall be deemed to have represented and agreed, that it has not offered, sold, distributed, or delivered, and that it will not offer, sell, distribute, or deliver any Digital Bonds, directly or indirectly, in Canada or to, or for the benefit of, any resident thereof in contravention of applicable Canadian securities laws. The Arranger has also agreed, and each Holder shall be deemed to have agreed, not to distribute or deliver this Offering Memorandum, or any other offering material relating to the Digital Bonds, in Canada in contravention of applicable Canadian securities laws.

ix) Cayman Islands

(1) The Arranger has agreed and each Holder will be deemed to have agreed that it has not made and will not make any invitation, whether direct or indirect, to the public in the Cayman Islands to purchase any Digital Bonds.

x) Dubai International Financial Centre (DIFC)

(1) The Digital Bonds may not be promoted in the DIFC other than in compliance with the restriction on financial promotions by the Dubai Financial Services Authority (the "**DFSA**") and may not be offered or sold in the DIFC other than pursuant to an exempt offer in accordance with the Markets Rules (the "**Rules**") of the DFSA. This Offering Memorandum is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on, by any other person.

(2) The Digital Bonds to which this Offering Memorandum relates may be illiquid and/or subject to restrictions on their sale. Prospective purchasers of the Digital Bonds should conduct their own due diligence on the Digital Bonds.

(3) The DFSA has no responsibility for reviewing or verifying any document in connection with exempt offers. The DFSA has not approved this Offering Memorandum nor taken steps to verify the information set out in it. The DFSA does not accept any responsibility for the

content of the information included in this Offering Memorandum, including the accuracy or completeness of such information. The liability for the content of this Offering Memorandum lies with the Issuer and other persons, such as experts, whose opinions are included in the Offering Memorandum with their consent. The DFSA has also not assessed the suitability of the Digital Bonds to which this Offering Memorandum relates to any particular investor or type of investor. Investors that do not understand the contents of this Offering Memorandum or are unsure whether the Digital Bonds to which this Offering Memorandum relates are suitable for their individual investment objectives and circumstances, should consult an authorised financial advisor.

xi) France

(1) Any offer, placement or sale of the Digital Bonds in France will only be made in compliance with all applicable French laws and regulations in force regarding such offer, placement or sale of the Digital Bonds and the distribution in France of the Offering Memorandum or any other offering material relating to the Digital Bonds.

(2) The Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Digital Bonds in France to qualified investors (*investisseurs qualifies*) as defined in Article L.411-2 1 of the French Code *monetaire et financier* and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France to such qualified investors the Offering Memorandum or any other offering material relating to the Digital Bonds.

xii) Hong Kong

(1) The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Digital Bonds other than

(i) to "professional investors" as defined in the SFO and any rules made under the SFO; or

(ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**"); and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Digital Bonds, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Digital Bonds which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

xiii) Ireland

(1) The Arranger has represented and agreed and each Holder shall be deemed to represent and agree that:

(a) it will not place the Digital Bonds otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations, 2017 (as amended the "**MiFID II Regulations**"), including Regulation 5 (Requirement for Authorisation (and certain provisions concerning MTFs and OTFs)) thereof or any codes of conduct made under the MiFID II Regulations and the provisions of the Investor Compensation Act 1998 (as amended);

(b) it will not place the Digital Bonds otherwise than in conformity with the provisions of the Companies Act 2014 (as amended, the "**Irish Companies Act**"), the Irish Central Bank Acts 1942 to 2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended); and

(c) it will not place or otherwise act in Ireland with respect to the Digital Bonds, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU) 596/2014 (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued by the Central Bank under Section 1370 of the Irish Companies Act.

xiv) Republic of Italy

(1) The offering of the Digital Bonds has not been registered with the *Commissione Nazionale per le Societa e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation. The Arranger has represented and agreed and each Holder shall be deemed to have represented and agreed that any offer, sale or delivery of the Digital Bonds or distribution of copies of this Offering Memorandum or any other document relating to the Digital Bonds in the Republic of Italy will be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations.

(2) Any such offer, sale or delivery of the Digital Bonds or distribution of copies of this Offering Memorandum or any other document relating to the Digital Bonds in the Republic of Italy must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations; and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

(3) The offering of the Digital Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Digital Bonds may be offered, sold or delivered, nor may copies of the Offering Memorandum or of any other document relating to the Digital Bonds be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of Regulation (EU) No. 1129 of 14 June 2017, as amended from time to time (the "**Prospectus Regulation**") and any applicable provision of Italian laws and regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-*ter* of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"), and the applicable Italian laws and regulations.

xv) Japan

(1) The Digital Bonds have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (act No.25 of 1948, as amended, the "**FIEA**") and, accordingly, the Arranger has represented and agreed and each Holder shall be deemed to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Digital Bonds or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)) or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

(2) As used in this paragraph, "resident of Japan" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

xvi) The Republic of Korea

(1) The Digital Bonds have not been and will not be registered with the Financial Services Commission of the Republic of Korea for public offering in the Republic of Korea under the Financial Investment Services and Capital Markets Act (the "**FSCMA**").

(2) The Digital Bonds may not be offered, sold or delivered, directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in the Republic of Korea or to any resident of the Republic of Korea except pursuant to the applicable laws and regulations of the Republic of Korea, including the FSCMA and the Foreign Exchange Transaction Law (the "**FETL**") and the decrees and regulations thereunder.

(3) The Digital Bonds may not be resold to the Republic of Korea residents unless the purchaser of the Digital Bonds complies with all applicable regulatory requirements (including but not limited to government reporting requirements under the FETL and its subordinate decrees and regulations) in connection with the purchase of the Digital Bonds.

xvii) The Netherlands

(1) The Digital Bonds may not be offered, sold, transferred or delivered in or from The Netherlands, as part of their initial distribution or as part of any re-offering, and neither this Offering Memorandum nor any other document in respect of the offering of the Digital Bonds may be distributed or circulated in The Netherlands, other than to individuals or legal entities which include, but are not limited to, banks, brokers, dealers, institutional investors and undertakings with a treasury department, who or which trade or invest in securities in the conduct of a business or profession.

xviii) People's Republic of China

(1) The Digital Bonds may not be offered, sold or delivered, or offered or sold or delivered to any person for reoffering or resale or redelivery, in any such case directly or indirectly, in the People's Republic of China (excluding Hong Kong Special Administrative Region, Macau

Special Administrative Region and Taiwan) (the "**PRC**"), or to residents of the PRC, unless such offer or sale is made in compliance with all applicable laws and regulations in the PRC.

(2) The Arranger has acknowledged and each Holder shall be deemed to have acknowledged that this Offering Memorandum, the Digital Bonds and any material or information contained or incorporated by reference in this Offering Memorandum relating to the Digital Bonds, have not been and will not be submitted to become, approved/verified by or registered with any relevant government authorities under the People's Republic of China (PRC) law.

(3) Accordingly, the Digital Bonds may not be offered or sold directly or indirectly in the PRC and this Offering Memorandum may not be supplied to the public in the PRC or used in connection with any offer for subscription or sale of the Digital Bonds in the PRC directly or indirectly.

(4) The material or information contained or incorporation by reference in this Offering Memorandum relating to the Digital Bonds does not constitute an offer to sell or the solicitation of an offer to buy any securities by any person in the PRC.

(5) The Digital Bonds may only be invested in by PRC investors that are authorised to engage in the purchase of Digital Bonds of the type being offered or sold.

(6) The Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has not made and will not make, any offers, promotions, solicitations for sales of or for, as the case may be, any Digital Bonds in the PRC, except where permitted by the China Securities Regulatory Commission, the People's Bank of China and other competent authorities or where the activity otherwise is permitted under the PRC law.

(7) PRC investors should note that they themselves are responsible for informing themselves about and observing all legal and regulatory restrictions, obtaining all relevant government approvals/licenses, verifications and/or registrations (if any) from all relevant PRC governmental authorities (including but not limited to the China Banking and Insurance Regulatory Commission, the State Administration of Foreign Exchange and/or other relevant regulatory bodies), and complying with all the applicable PRC regulations, including but not limited to any relevant PRC foreign exchange regulations and/or overseas investment regulations.

xix) Portugal

(1) No offer of the Digital Bonds may be made in Portugal except under circumstances that will result in compliance with the rules concerning the marketing of such Digital Bonds and with the laws of Portugal generally.

(2) In relation to Portugal, the Digital Bonds may not be offered to the public in Portugal, except that an offer of the Digital Bonds to the public in Portugal may be made:

(i) in the period beginning on the date of publication of a prospectus in relation to the Digital Bonds, following approval by the *Autorité des marches financiers* and notification to the Portuguese Securities Exchange Commission ("***Comissão do Mercado de Valores Mobiliários***", or the "**CMVM**") all in accordance with Article

24 and 25 of the Prospectus Regulation and ending on the date which is 12 months after the date of such publication; and

(ii) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Regulation.

(3) Moreover, the Digital Bonds may be offered at any time to any entities who are considered as professional investors according to article 30 of the Portuguese Securities Code ("***Código dos Valores Mobiliários***"). For the purposes of this provision, the expression an "offer of the securities to the public" in relation to any Digital Bonds in Portugal means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe the securities and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, of the European Parliament and of the Council, of 14 June 2017, and includes any relevant implementing measures in Portugal.

xx) Saudi Arabia

(1) This Offering Memorandum cannot be distributed in the Kingdom of Saudi Arabia (the "**KSA**") except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority in the KSA.

(2) The Capital Market Authority does not make any representation as to the accuracy or completeness of this Offering Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Offering Memorandum. Prospective purchasers of the Digital Bonds should conduct their own due diligence on the accuracy of the information relating to the Digital Bonds. If you do not understand the contents of this Offering Memorandum, you should consult an authorised financial advisor.

xxi) Singapore

(1) The Arranger has acknowledged, and each Holder shall be deemed to have acknowledged that this Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore.

(2) Accordingly, the Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has not offered or sold any Digital Bonds or caused the Digital Bonds to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Digital Bonds, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

(3) Where the Digital Bonds are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or trust has acquired the Digital Bonds pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

xxii) Spain

(1) Neither the Digital Bonds nor this Offering Memorandum have been registered with the Spanish Securities Markets Commission (*Comision Nacional del Mercado de Valores*).

(2) Accordingly, the Digital Bonds may not be offered, sold or distributed nor may any subsequent resale of Digital Bonds be carried out in Spain, except in circumstances which do not require the registration of a prospectus in Spain or without complying with all legal and regulatory requirements under Spanish securities laws.

(3) In addition to the selling restrictions under the Prospectus Regulation in relation to EEA States, as stated above, when the offer is not strictly addressed to qualified investors in the Kingdom of Spain (as defined in Article 2 of the Prospectus Regulation), any offer, sale or delivery of the Digital Bonds, must be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Kingdom of Spain in accordance with Royal Legislative Decree 4/2015 of 23 October, approving the consolidated text of the Securities Market Law (*Real Decreto Legislativo 4/2015, de 23 de octubre, por el que se aprueba el texto refundido de la Ley del Mercado de Valores*), as modified or amended from time to time (the "**Spanish Securities Market Law**").

xxiii) Sweden

(1) For selling restrictions in respect of Sweden, please see "*Prohibition of Sales to EEA Retail Investors*" above.

(2) Any offer for subscription or purchase or invitations to subscribe for or buy or sell any Digital Bonds or distribution of any draft or final document in relation to any such offer, invitation or sale in Sweden will only be made in circumstances which will not result in a requirement to prepare a prospectus pursuant to the provisions of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") or the Swedish Act with supplementary provisions to the Prospectus Regulation (*Sw. Lag (2019:414) med kompletterande bestämmelser till EUs prospektförordning*), as amended or replaced.

xxiv) Switzerland

(1) The securities issued are derivative financial instruments (debt instruments) according to Swiss Law. The securities do not constitute a collective investment scheme within the meaning of the CISA. Therefore, they are not subject to authorisation by the Swiss Financial Market Supervisory Authority FINMA ("**FINMA**") and potential investors do not benefit from the specific investor protection provided under the CISA and are exposed to the credit risk of the Issuer. Any investment in the securities does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

(2) The securities, qualifying as structured products pursuant to Article 70 FinSA, may be offered to retail clients within the meaning of FinSA in Switzerland only if a key investor document (*Basisinformationsblatt*) (**FinSA- KID**) pursuant to Article 58 et seqq. of FinSA or a key information document pursuant to the PRIIPs Regulation (**PRIIPsKID**) instead of a FinSA-KID has been prepared and provided to the relevant retail clients. If the securities may only be offered to retail clients in the context of asset management mandates, such obligation to provide a FinSA-KID or a PRIIPs-KID would not apply. The securities are not and will not be issued, guaranteed or secured in an equivalent manner by a supervised institution within the meaning of Article 70 paragraph 1 FinSA. However, the Issuer will for each product provide collateral corresponding to the requirements under Article 70 paragraph 2 FinSA.

xxv) Taiwan

(1) The Digital Bonds have not been and will not be registered or filed with, or approved by, the Financial Supervisory Commission of Taiwan and/or other regulatory authorities or agencies of Taiwan pursuant to relevant securities laws and regulations of Taiwan and may not be issued, offered or sold within Taiwan through a public offering or in circumstances which constitute an offer within the meaning of the Securities and Exchange Act of Taiwan or relevant laws and regulations that would require a registration or filing with, or approval of, the Financial Supervisory Commission of Taiwan and/or other regulatory authorities or agencies of Taiwan.

(2) No person or entity in Taiwan has been authorized to offer or sell the Digital Bonds in Taiwan. The Digital Bonds may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan unless the Digital Bonds offered or sold to investors in Taiwan are through Taiwan licensed financial institutions to the extent permitted under relevant Taiwan laws or regulations, such as the Directions for Offshore Banking Branches Conducting Securities Businesses.

xxvi) United Arab Emirates (excluding the DIFC and the Abu Dhabi Global Market)

(1) By receiving this Offering Memorandum, the person or entity to whom it has been issued understands, acknowledges and agrees that the offering of Digital Bonds has not been approved or authorised by the United Arab Emirates (the "**UAE**") Central Bank, the UAE

Securities and Commodities Authority (the "**SCA**"), or any other relevant licensing authorities in the UAE, and accordingly does not constitute a public offer of securities in the UAE in accordance with the commercial companies law (UAE Federal Decree Law No. 32 of 2021) or otherwise.

(2) In addition, the Issuer represents and agrees that the Digital Bonds have not been and are not being, publicly offered, sold, promoted or advertised in the UAE other than in compliance with the laws of the UAE governing the issue, offering and sale of securities.

(3) Further, the Arranger represents and agrees, and each Holder shall be deemed to have represented and agreed, that the Digital Bonds have not been and will not be publicly offered, sold, promoted or advertised by it in the UAE other than in compliance with any laws applicable in the UAE governing the issue, offering and sale of securities.

(4) This Offering Memorandum is strictly private and confidential and is being issued to a limited number of investors in the UAE:

(a) who qualify as "professional investors" for the purpose of the SCA Decision No. (13/R.M) of 2021 on the rules handbook of financial activities and mechanisms of status regularisation, as amended (the "**SCA Rulebook**"), or "counterparties" for the purpose of the SCA Rulebook; or

(b) in the case of any other investors, only on the basis of a reverse inquiry upon their request only,

and in each case

(i) upon their confirmation that they understand that the Digital Bonds have not been approved or licensed by or registered with the UAE Central Bank, the SCA, or any other relevant licensing authorities or governmental agencies in the UAE; and

(ii) on the express condition that they do not provide this Offering Memorandum to any person other than the original recipient who may not reproduce or use this Offering Memorandum for any other purpose.

(5) Investors that do not understand the contents of this Offering Memorandum or are unsure whether the Digital Bonds to which this Offering Memorandum relates are suitable for their individual investment objectives and circumstances should consult an authorised financial advisor.

xxvii) United Kingdom

(1) The Arranger has represented that it has not offered, sold or otherwise made available, and each Holder shall be deemed to agree that it will not offer, sell or otherwise make available any Digital Bonds to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 ("**MIFIR**") as it forms part of domestic law by virtue of the EUWA ("**UK MIFIR**"); or

(iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Digital Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Digital Bonds.

(2) The Arranger has represented, warranted and agreed and each Holder shall be deemed to represent, warrant and agree that:

(a) Financial Promotion: 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 Digital Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(b) General Compliance: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Digital Bonds in, from or otherwise involving the United Kingdom.

xxviii) General

(1) The Arranger has represented, warranted and agreed and each Holder shall be deemed to have represented, warranted and agreed that it has complied with and will comply with, all applicable securities laws and regulations in force in each country or jurisdiction in which it purchases, offers, sells or delivers Digital Bonds or possesses, distributes or publishes this Offering Memorandum or any other offering material relating to the Digital Bonds, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Digital Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, in all cases at their own expense and neither the Issuer nor the Arranger shall have any responsibility therefor.

(2) Neither the Issuer nor the Arranger represents that Digital Bonds 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 any such sale.

The Issuer reserves the right to impose further selling restrictions at its sole discretion which will be communicated in a notice to the Holders in accordance with Condition 39) (Notices).

General Information

1. For the term of the Digital Bonds, copies of this Offering Memorandum, the memorandum of association and Bye-laws of the Issuer, the Deed Poll, the Security Deed and the Arrangement and Tokenization Services Agreement will be available in electronic form for inspection on the Pivio Platform www.pv0.one for Holders with the relevant access credentials which may be obtained from the Tokenizer.

2. Since formation and as of the date hereof, the Issuer has not commenced trading, prepared any financial statements, established any accounts or declared any dividends, other than the transactions described herein.

3. The issuance by the Issuer of the Digital Bonds has been authorized by the board of directors of Digital Bonds Ltd by resolutions passed on or prior to the Issue Date.

4. The Issuer is not required by Bermuda law, and the Issuer does not intend, to publish annual reports and accounts, nor has it done so as of the date hereof.

5. The Digital Bonds are sold in offshore transactions in reliance on Regulation S under the Securities Act.

6. The Issuer is not, nor has it since formation been, involved in any legal, governmental or arbitration proceedings which may have or have had an important effect on the financial position or the issuance of the Digital Bonds nor, so far as the Issuer is aware, is any such legal, governmental or arbitration proceedings involving it pending or threatened.

The Issuer

Digital Bonds Ltd
c/o Walkers Corporate
(Bermuda) Limited
Park Place
55 Par-la-Ville Road
Hamilton HM 11
Bermuda
(acting in respect of its segregated account designated "DB Series-11")

The Arranger and Tokenizer

PV01 Capital Markets Ltd.
c/o Walkers Corporate
(Bermuda) Limited
Park Place
55 Par-la-Ville Road
Hamilton HM 11
Bermuda

The Broker and Custodian
StoneX Financial Ltd.
Moor House, First Floor
120 London Wall
London
EC2Y 5ET

The Security Agent
Ankura Trust Company, LLC
140 Sherman Street
Fourth Floor
Fairfield, CT 06824
United States