

## SUBSCRIPTION TERMS FOR DIGITAL BONDS

### 1. CONTRACTUAL FRAMEWORK

- a. These subscription terms (the "**Subscription Terms**"), together with the Platform Terms of Use and the Bond Conditions (as defined below), govern the subscription and settlement of each purchase of Digital Bonds via the Pivio Platform and each exercise and settlement of the Rollover Subscription Option (as defined below) in respect of the Digital Bonds.
- b. Digital bonds (the "**Digital Bonds**") are issued in series (each, a "**Series**"), with each Series being issued by a different segregated account (each, an "**Issuer**") of 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.
- c. Each Series has a number corresponding to the designation of the segregated account of Digital Bonds Ltd acting as the Issuer of such Series, starting with the segregated account of Digital Bonds Ltd designated as "DB Series-1".
- d. Each potential subscriber of Digital Bonds should read and understand each of the following prior to placing a Bond Purchase Order (as defined below):
  - i. the offering memorandum in preliminary form (the "**Preliminary Offering Memorandum**"), including the terms and conditions applicable to the Digital Bonds as set out in the Preliminary Offering Memorandum (the "**Bond Conditions**" and reference to any "**Bond Condition**" herein being a reference to a specific numbered paragraph of such Bond Conditions), which is available on the Digital Bonds product page on the Pivio Platform;
  - ii. each term sheet (a "**Term Sheet**") and each supplemental offering memorandum produced by the Issuer and made available to the Holders in connection with the issuance of Digital Bonds during an Additional Issuance Settlement Window (each, a "**Supplemental Offering Memorandum**") and
  - iii. these Subscription Terms (together with the Offering Memorandum (including the Bond Conditions) and each Supplemental Offering Memorandum, the "**Bond Documents**"),  
  
in their entireties.
- e. Unless otherwise defined herein or the context otherwise requires, the terms and expressions defined in the Bond Conditions shall have the same meanings where used in these Subscription Terms.
- f. **These Subscription Terms and the Bond Conditions contain certain statements, representations, warranties, undertakings, acknowledgements and instructions required and deemed to be given or made by each Eligible Subscriber (as defined below), each Committed Investor (as defined below), each Holder and each Transferee (as defined below).**
- g. **Each Eligible Subscriber will be required to confirm at the time of submitting any Bond Purchase Order in respect of the Digital Bonds that it has read and accepted the terms of the Bond Documents.**
- h. In addition, each purchaser of Digital Bonds issued during an Additional Issuance Settlement Window will be required to confirm at the time of submitting their Bond Purchase Order that their purchase of such Digital Bonds is made pursuant to the Term Sheet, these Subscription Terms, the Final Offering Memorandum (defined below) and any Supplemental Offering Memorandum made available by the Issuer prior to the date of such Bond Purchase Order.
- i. **Each Transferee (as defined below) of any Digital Bonds, by its**

**acceptance of such Digital Bonds, shall be deemed to have read and accepted the terms of the Bond Documents.**

- j. References in these Subscription Terms to any determination, discretion, communication, request, demand, authorization, instruction, notice, or other action to be made, given, exercised or performed by the Issuer shall include a reference to such action being taken by PV01 Capital Markets Ltd. ("**PV01**") in its capacity as arranger (the "**Arranger**") or as tokenizer (the "**Tokenizer**") (as applicable) on the Issuer's behalf.

## **2. THE DIGITAL BONDS**

- a. The Issuer proposes to issue up to the Maximum Issue Amount (as defined in the Bond Conditions) of the Digital Bonds of each Series.
- b. The Digital Bonds will be issued exclusively on the DLT in bearer, dematerialised form in the denomination specified in the Bond Conditions.
- c. Title to the Digital Bonds will be evidenced by possession (as defined in the Bond Conditions) of the Digital Bond Tokens. For these purposes, a person in possession of a Bond Token Receipt at any time is also treated as having possession of the number of Digital Bond Tokens for which such Bond Token Receipt can be exchanged with the Bond Token Vault at such time, and thereby ownership of the number of Digital Bonds represented by such number of Digital Bond Tokens. The Vault Owner and the Bond Token Vault itself do not have possession of the Digital Bond Tokens in the Bond Token Vault. Neither the Issuer nor the Tokenizer has the ability to effect any transactions in the Digital Bond Tokens in the Bond Token Vault or in the Bond Token Receipts.
- d. No individually certificated securities, uncertificated securities or book-entry securities or other instruments of title, whether in paper or electronic form will be issued and no register of Holders of the Digital Bonds will be produced or maintained by the Issuer or any other person.
- e. The Issuer's obligations under each Series of Digital Bonds will be constituted under the related electronic Deed Poll to be executed by the Issuer on the Pricing Date (as defined below) (each, a "**Deed Poll**") and each Series of Digital Bonds will also have the benefit of:
  - i. a Series-specific Bond Smart Contract (as defined below);
  - ii. a Bond Token Vault Smart Contract (as defined below);
  - iii. the related security deed entered into by the Issuer with the Security Agent (each, a "**Security Deed**"); and
  - iv. the related arrangement and tokenization services agreement entered into by the Issuer with the Tokenizer and the Security Agent (each, an "**Arrangement and Tokenization Services Agreement**" and, together with the Deed Poll and the Security Deed, the "**Available Documents**" for such Series).
- f. An ERC-20 smart contract created on the Ethereum Blockchain (the "**DLT**") will be deployed by the Tokenizer to implement the provisions of the Deed Poll for each Series (which Deed Poll, including the Bond Conditions, will be incorporated by reference therein) (each, a "**Bond Smart Contract**"). The Bond Smart Contract for each Series of Digital Bonds will be deployed at the DLT address indicated in the Offering Memorandum for such Series and on the Pivio Platform.
- g. The Bond Smart Contract for each Series is subject to the related Deed Poll. In the event of any conflict between the Bond Smart Contract and the provisions of the related Deed Poll, the provisions of the related Deed Poll will prevail.
- h. Each Bond Smart Contract will have the functionalities set out in Bond Condition 28 (*Smart Contract Functionalities*) for, among other things, the issuance and transfer of the Digital Bond Tokens on the DLT and the automated payment and redemption mechanisms of the Digital Bonds.

- i. The offering memorandum in its final form (the “**Final Offering Memorandum**” and, together with the Preliminary Offering Memorandum, the “**Offering Memorandum**”), the Deed Poll and the other Available Documents for each Series of Digital Bonds will be available for viewing by Holders at the web page accessible via the URL included (together with a hash) in the related Bond Smart Contract, which will be fully deployed upon the opening of the Issuance Settlement Window (defined below) for the Series.

### 3. SUBSCRIBER AND HOLDER ELIGIBILITY

- a. In order to subscribe for Digital Bonds on primary issuance or to claim any payment in respect of the Digital Bonds, each potential subscriber must have an “external owned account” and such account must be included on the allowlist of screened and pre-approved digital wallet addresses maintained by the Tokenizer on behalf of the Issuer (the “**Digital Wallet Whitelist**”).
- b. To qualify its digital wallet address for inclusion on the Digital Wallet Whitelist, a potential subscriber or Holder must meet all of the Eligibility Criteria for an investment in the Digital Bonds as set out in the Offering Memorandum. To establish eligibility, the potential subscriber or Holder must complete all relevant onboarding procedures, including Investor Screening (as defined in the Offering Memorandum and as further described below) with the Tokenizer (acting on the Issuer’s behalf).
- c. The Eligibility Criteria include, among other things, requirements that the potential subscriber or Holder is:
  - i. not a Sanctions Target (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*)) of the Bond Conditions;
  - ii. not a U.S. Person (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*)) of the Bond Conditions and is located outside of the United States; and
  - iii. a ‘professional’, ‘qualified’, ‘institutional’ or ‘accredited’ investor or ‘eligible counterparty’ (or equivalent, as defined under the laws of the transferee’s home jurisdiction) and 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 and Transfer Restrictions*)) of the Bond Conditions and all other securities laws applicable in the transferee’s home jurisdiction.
- d. In addition, the digital wallet address of a potential subscriber or Holder must not be included on either:
  - i. the digital wallet blacklist maintained by the Tokenizer (the “**Digital Wallet Blacklist**”, as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions and Transfer Restrictions*) to the Bond Conditions); or
  - ii. the sanctions blacklist maintained by Chainalysis, Inc. (the “**Sanctions Blacklist**”, as defined in Paragraph 1 (*Sanctions Blacklist and Digital Wallet Blacklist*) of Schedule 2 (*Sanctions and Transfer Restrictions*) to the Bond Conditions),  
  
against which the Bond Smart Contract will also screen all transactions involving the Digital Bond Tokens and the Bond Token Vault Smart Contract will screen all transactions involving the Bond Token Vault Receipts.
- e. In addition, the Issuer may impose, in its sole and absolute discretion, additional eligibility requirements, and potential subscribers and Holders of Digital Bonds will be required to satisfy the Issuer’s eligibility requirements.

#### 4. ONBOARDING PROCESS

- a. Prior to submitting an order to subscribe for any Digital Bonds (a "**Bond Purchase Order**"), potential subscribers 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 in its sole and absolute discretion, which procedures (together referred to as "**Investor Screening**") will be conducted by the Tokenizer on behalf of the Issuer.
- b. Investor Screening is also required as a prerequisite for any Holder of Digital Bonds to interact with the Smart Contract and to receive any payment (via the Smart Contract or otherwise) in respect of the Digital Bonds.
- c. Investor Screening refers to the verification of the eligibility of potential subscribers to invest in the Digital Bonds, including, without limitation, in accordance with the Transfer Restrictions (as defined in Bond Condition 6)b) (*Transfer Restrictions – Selling Restrictions, Sanctions Restrictions and Eligibility Criteria*), and involves the provision by such potential subscribers of such certification or evidence of non-U.S. beneficial ownership as the Issuer 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 subscriber and to confirm the potential subscriber meets all other Eligibility Criteria (as defined in Paragraph 4 (*Eligibility Criteria*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions).
- d. The Investor Screening process is completed through the interface of the Pivio Platform. Holders who have acquired Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Vault Receipts) through secondary market transactions 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 Bond Condition 23)b) (*Realization Event*) to ensure that they are able to claim amounts payable in respect of the Digital Bonds directly through the Bond Smart Contract.
- e. In order to enable the making of any payment under the Digital Bonds, any distribution of 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 at Schedule 4 (*Privacy Notice*) to the Bond Conditions.
- f. To the extent any potential subscriber's or Holder's consent is required for the Issuer or the Tokenizer to process or share personal and financial information about such potential subscriber or Holder, the Issuer hereby requests such consent and such consent shall be deemed to have been given by virtue of such potential subscriber submitting a Bond Purchase Order in respect of any Digital Bonds or (as applicable) by such Holder otherwise acquiring the Digital Bonds. Each potential subscriber and each Holder of Digital Bonds shall also be deemed to have acknowledged and agreed that the Issuer and the Tokenizer may disclose such non-public personal information of the potential subscriber or 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.
- g. **Digital Wallet Whitelist.** Upon successful completion of Investor Screening, the digital wallet address of each eligible subscriber (each, an "**Eligible Subscriber**") or Holder will be added to 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 or claim a 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.***
- h. If there are negative findings in connection with the Investor Screening procedures, or the potential subscriber or Holder is unable to satisfactorily complete such procedures (as determined by the Issuer in its sole and absolute discretion) or any

other material negative issues arise regarding the relevant issuance or payment transaction, the Issuer shall have the right to refuse to add such potential subscriber's or Holder's digital wallet address to the Digital Wallet Whitelist. In addition, the Issuer may reject the issuance or payment transaction and the Issuer may determine to add the digital wallet address of the potential subscriber or Holder to the Digital Wallet Blacklist. Neither the Issuer or the Tokenizer will be liable to any potential subscriber, any Holder or any other person in respect of any loss suffered as a result thereof.

## 5. ADDITIONAL ISSUANCE SETTLEMENT WINDOWS

- a. Digital Bonds may also be available for issuance during any Additional Issuance Settlement Window as determined by the relevant Issuer subject to and in accordance with Condition 7f) (*Primary Issuance Process – Additional Issuance Settlement Windows*).
- b. The settlement of Digital Bonds during any Additional Issuance Settlement Window 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).
- c. The amount of Digital Bonds issued during any Additional Issuance Settlement Window will not cause the aggregate principal amount of the Digital Bonds outstanding to exceed the Maximum Issue Amount.
- d. The Net USD Subscription Proceeds of any Digital Bonds issued during an Additional Issuance Settlement Window will be 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, Such Underlying T-bills will be deposited by the Custodian directly to the Securities Collateral Account upon their receipt.
- e. 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.
- f. 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.

## 6. SUBSCRIPTION PROCESS (PRIMARY ISSUANCE)

- a. The subscription process for the Digital Bonds of each Series upon primary issuance (including any issuance of Digital Bonds during an Additional Issuance Settlement Window) is conducted as follows:
  - i. The order book for each Series of Digital Bonds will be opened and closed on the date and at the times notified to each Eligible Subscriber by the Tokenizer by e-mail (at the address provided by the Eligible Subscriber during Investor Screening) and as indicated on the relevant Digital Bond Series' product page on the Pivio Platform (such period, the "**Book-Building Period**").
  - ii. Eligible Subscribers having successfully completed Investor Screening and whose digital wallet addresses have been added to the Digital Wallet Whitelist may, in accordance with the platform's Terms of Use and these Subscription Terms, confirm their interest in subscribing for Digital Bonds during the Book-Building Period by submitting an order to purchase Digital Bonds (a "**Bond Purchase Order**"), following the procedures on the Digital Bond Series' page on the Pivio Platform.
  - iii. Each Eligible Subscriber, by placing any Bond Purchase Order, confirms that it has read and understood and agrees to adhere to, be subject to, comply with, be bound by and receive the benefits of, the provisions of the Bond Conditions included in the Preliminary Offering

Memorandum for the relevant Series (or, in the case of an Additional Issuance Settlement Window, the Final Offering Memorandum, any Supplemental Offering Memorandum, the Term Sheet) and these Subscription Terms, each of which are available via a link on the relevant Digital Bond Series' page on the Pivio Platform.

- iv. Each Eligible Subscriber may, during the Book-Building Period, using the Eligible Subscriber's approved digital wallet address, submit a Bond Purchase Order via the Pivio Platform, whereby it offers to purchase Digital Bonds up to a specified maximum amount (a "**Maximum Order Amount**"). Upon submission of a Bond Purchase Order, the Eligible Subscriber will be required to confirm that it has read and agrees to the terms of the Preliminary Offering Memorandum (including the Bond Conditions) (or, in the case of an Additional Issuance Settlement Window, the Final Offering Memorandum, any Supplemental Offering Memorandum and the related Term Sheet) and these Subscription Terms (together, the "**Bond Documents**") for the relevant Series.
  - v. An Eligible Subscriber which has submitted a Bond Purchase Order during the Book-Building Period may amend or revoke such order at any time prior to the end of the Book-Building Period, including following receipt of final pricing guidance, as communicated to Eligible Subscribers prior to closing of the order book at the end of the Book-Building Period.
- b. Each Eligible Subscriber acknowledges and agrees that from and after expiry of the Book-Building Period, any Bond Purchase Order submitted and not previously revoked by it shall become irrevocable.**
- i. Each Eligible Subscriber having submitted a Bond Purchase Order for Digital Bonds, which order has not been revoked prior to the end of the Book-Building Period will thereby become a "**Committed Investor**" (as defined in the Bond Conditions of the Digital Bonds) and legally bound to subscribe and pay for the Committed Investor's Allotted Amount (as defined below) and shall have all the rights of, and shall be bound to comply with all the other obligations of, a Committed Investor in these Subscription Terms.
  - ii. 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 the Condition 13 (*Automatic Rollover Subscription Option*) (a "**Rollover Subscription Order**").
  - iii. Pricing of each Series of Digital Bonds will take place at the time on the Issue Date (the "**Pricing Time**") which shall take place shortly following closing of the order book, as communicated to Eligible Subscribers via e-mail and indicated on the Digital Bond Series' page on the Pivio Platform. The Issuer will communicate the final price guidance to Committed Investors via e-mail approximately 30 minutes prior to the end of the Book-Building Period.
  - iv. Upon the expiry of the Book-Building Period, unless expressly rejected and cancelled by it, the Issuer shall be deemed to have accepted all Bond Purchase Orders which have not been revoked.
  - v. Following the expiry of the Book-Building Period and pricing of the Digital Bonds, the Issuer will allot a nominal amount of Digital Bonds to each Committed Investor (the Committed Investor's "**Allotted Amount**"). Each Committed Investor's Allotted Amount will be determined by the Issuer in its absolute discretion and may be zero, or may be less than, but shall not exceed, the Committed Investor's Maximum Order Amount. Digital Bonds having a nominal principal amount which is equal to the amount of the Rollover Subscription Order will be allotted for delivery into the Bond Token Vault.
  - vi. The aggregate amount of Digital Bonds allocated to Committed Investors will not exceed the Maximum Issue Amount indicated in the Preliminary

Offering Memorandum for the relevant Series.

- vii. Subject to, and in accordance with the Platform Terms of Use, these Subscription Terms and the Preliminary Offering Memorandum for the Digital Bonds (or, in the case of Digital Bonds issued during an Additional Issuance Settlement Window, the Final Offering Memorandum, any Supplemental Memorandum and the related Term Sheet), upon expiry of the Book-Building Period, the Issuer agrees to issue to each Committed Investor, and each Committed Investor agrees to subscribe and pay for, such Committed Investor's Allotted Amount of the Digital Bonds at the final price for the Digital Bonds, as notified to Eligible Subscribers via e-mail and on the Pivio Platform prior to closing of the Book-Building Period, which price shall be expressed as a percentage of the nominal principal amount of the Digital Bonds (the "**Issue Price**").
- viii. Immediately following pricing and allocation of the Digital Bonds, the Issuer will inform each Committed Investor via e-mail of the Committed Investor's Allotted Amount, the aggregate subscription price payable by the Committed Investor for its Allotted Amount (such amount, the Committed Investor's "**Funding Commitment**") and the anticipated time of opening of the Issuance Settlement Window.
- ix. Within 2-3 hours following pricing and allocation of the Digital Bonds, the Issuer will finalize the Bond Smart Contract to reflect the Funding Commitments and post a notice on the Pivio Platform confirming that the Bond Smart Contract has been activated and instructing Committed Investors to settle their Bond Purchase Orders during the Issuance Settlement Window (or Additional Issuance Settlement Window, as the case may be). Committed Investors will also receive a notification via e-mail confirming the opening of the Issuance Settlement Window and the UTC time at which the Issuance Settlement Window will close (the "**Issuance Settlement Cut-Off Time**") for the Series.

## 7. PRIMARY ISSUANCE SETTLEMENT PROCESS

- a. The settlement of each Bond Purchase Order for Digital Bonds will take place between the Issuer and each Committed Investor via the Bond Smart Contract during the Issuance Settlement Window (or Additional Issuance Settlement Window, as the case may be). 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 Pivio Platform or otherwise in writing.
- b. Each Committed Investor must, using its approved digital wallet address, procure the delivery of an amount in the Settlement Currency (as defined in the Bond Conditions) equal to such Committed Investor's Funding Commitment to the Issuer via the Bond Smart Contract by executing the 'settle bond purchase' function on the Pivio Platform or by accessing the Bond Smart Contract's address on the DLT during the Issuance Settlement Window and before the Issuance Settlement Cut-Off Time (or the Additional Issuance Settlement Cut-Off Time, as applicable). The Bond Smart Contract address for each Series of Digital Bonds is as communicated by the Issuer to Committed Investors via e-mail, as disclosed in the Offering Memorandum for the relevant Series and indicated on the Pivio Platform.
- c. 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 executing the 'settle bond purchase' function, the Bond Smart Contract will automatically:
  - i. procure the creation (or 'minting') and delivery of the Digital Bond Tokens representing the Digital Bonds of the Series for which such Committed Investor has subscribed to the Committed Investor's digital wallet; and
  - ii. simultaneously ('atomically') transfer an amount in the Settlement Currency equal to such Committed Investor's Funding Commitment from the digital wallet of the Committed Investor to the digital wallet of the Issuer of such

Series with Fireblocks, completing the issuance settlement process in respect of the Digital Bonds subscribed by such Committed Investor.

- d. The Digital Bonds shall be issued to each Committed Investor at the time at which the Committed Investor's Funding Commitment is received by the Bond Smart Contract and the Bond Smart Contract delivers the Digital Bond Tokens representing the Digital Bonds subscribed to the Committed Investor's digital wallet address. The "**Issue Date**" of each Series of Digital Bonds shall for all other purposes under the Bond Conditions for such Series be treated as the date on which the Issuance Settlement Cut-Off Time for such Series has occurred.
- e. Upon receipt of the Digital Bond Tokens in the Committed Investor's digital wallet, such Committed Investor will become a "**Holder**" (as defined in the Bond Conditions) and shall have all the rights and obligations of a Holder under these Subscription Terms and under the Bond Conditions for the relevant Series.
- f. No interest or other amount will be payable to any Committed Investor in respect of Digital Bonds in respect of which such Committed Investor has settled the related Funding Commitment and received Digital Bond Tokens prior to the Issuance Settlement Cut-Off Time (or the Additional Issuance Settlement Cut-Off Time, as the case may be).

## **8. FAILED SETTLEMENT**

- a. If a Committed Investor fails to settle its Funding Commitment by the Issuance Settlement Cut-Off Time (or the Additional Issuance Settlement Cut-Off Time, as applicable), the Issuer of that Series will be entitled, at its sole discretion, to cancel that Committed Investor's Bond Purchase Order.
- b. The relevant Issuer will also retain the right to treat the Committed Investor's Bond Purchase 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 Bond Purchase Order.
- c. The relevant Issuer will notify the Committed Investor of any cancellation of its Bond Purchase Order, and as soon as such notification has been given, the obligations of the Issuer and the Committed Investor pursuant to these Subscription Terms shall be discharged and the Issuer and the Committed Investor shall be under no further liability arising out of these Subscription Terms (except for any liability arising under Sections 5,6,7,13 and 22 and as otherwise specifically provided and except for any liability arising before or in relation to such termination).
- d. The relevant Issuer shall have the discretionary right to waive the total or partial satisfaction of the Committed Investor's obligation to settle its Bond Purchase Order.

## **9. DLT FEES**

All DLT Fees in connection with transactions initiated by Eligible Subscribers, Committed Investors, Holders and Transferees in connection with the Digital Bonds (including the Digital Bond Tokens and the Bond Token Receipts) will be for the account of the Eligible Subscriber, Committed Investor, Holder or Transferee and unless otherwise specifically provided in these Subscription Terms or in the Bond Conditions for the relevant Series, 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 will be for the account of the relevant Issuer.

## **10. BOND TOKEN VAULT & AUTOMATIC ROLLOVER SUBSCRIPTION OPTION**

- a. Each Holder of a Digital Bond shall have the option to instruct an automatic reinvestment or "rollover" of the proceeds of such Digital Bond towards a subscription for Digital Bonds of a new Series to be issued on the Maturity Date of such Digital Bond 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, in



accordance with Bond Condition 13 (*Automatic Rollover Subscription Option*) (the "**Automatic Rollover Subscription Option**").

- b. The Automatic Rollover Subscription Option is exercised through the mechanism of a bond token vault administered by an ERC-4626 compliant smart contract created on the Ethereum Blockchain deployed by the Tokenizer to implement the terms of the Deed Poll relating to the operation of the Bond Token Vault and the Automatic Rollover Subscription Option (defined below) for each Series of Digital Bonds (the "**Bond Token Vault Smart Contract**") with the Tokenizer as Vault Owner (the "**Bond Token Vault**"). The Bond Token Vault Smart Contract will be deployed at the DLT address indicated in the Offering Memorandum for such Series and on the Pivio Platform.
- c. 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 a designated Series which is the current "asset" managed by the Bond Token Vault (such designated Series at any given time being referred to as the "**Vault Series**").
- d. The Bond Token Vault Smart Contract is subject to the related Deed Poll of the Vault Series, which Deed Poll, including the Bond Conditions, will be incorporated by reference therein. Instructions for Receiptholders to access the Deed Poll for the current Vault Series via the Bond Smart Contract shall be included in the Bond Token Vault Smart Contract. In the event of any conflict between the Bond Token Vault Smart Contract and the provisions of the relevant Deed Poll, the provisions of the relevant Deed Poll will prevail.
- e. The Bond Token Vault Smart Contract will have the functionalities set out in Bond Condition 29 (*Bond Token Vault Smart Contract Functionalities*) for, among other things, the deposit and withdrawal of Digital Bond Tokens to and from the Bond Token Vault (as defined below), the transfer of the Bond Token Vault Receipts (as defined below) on the DLT and the settlement mechanisms for Rollovers (as defined below) of the Digital Bonds.

## 11. EXERCISE OF AUTOMATIC ROLLOVER SUBSCRIPTION OPTION

- a. A Holder wishing to exercise the Automatic Subscription Rollover Option may make a Bond Token Deposit at any time up to the Rollover Cut-Off Time.
- b. 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.
- c. 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 1 (total number of Digital Bond Tokens in the Bond Token Vault) multiplied by (number of Digital Bond Tokens deposited)**.
- d. A **Receiptholder** may make a Bond Token Withdrawal to remove their Digital Bond Tokens from the Bond Token Vault at any time up to the Rollover Cut-Off Time.
- e. Each Bond Token Vault Receipt represents, at any time:
  - i. The Holder'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 Holder 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 Holder) / divided by (the total number of Bond Token Receipts outstanding at such time) = Holder's Aggregate Share***);

- ii. The Holder'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***;
  - iii. 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 Digital Bonds of the Vault Series as are represented by such Bond Token Receipt at that time, by making a Bond Token Withdrawal in accordance with Bond Condition 13)e) (*Automatic Rollover Subscription Option – Bond Token Withdrawal*); and
  - iv. Provided the Holder has not withdrawn such Digital Bond Tokens before the Rollover Cut-Off Time, the Holder's instructions (subject at all times to the Bond Conditions) for such Digital Bond Tokens to be exchanged for Digital Bond Tokens representing Rollover Bonds (as defined in Bond Condition 13)h) (*Automatic Rollover Subscription Option – Rollover Bonds*) on the Maturity Date of the Digital Bonds represented thereby.
- f.** 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.
- g.** If a Holder 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 Holder 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.
- h.** Digital Bond Tokens remaining in the Bond Token Vault as of the Rollover Cut-Off Time will be continuously and automatically exchanged on their Maturity Date for Digital Bond Tokens representing Digital Bonds of the next Series of Rollover Bonds, without any action on the part of the Holder, unless and until such Digital Bond Tokens are withdrawn from the Bond Token Vault by the Holder thereof or the Automatic Rollover Subscription Option is suspended or terminated.
- i.** Final pricing guidance in respect of each Series of Rollover Bonds will be available on the Pivio Platform approximately 30 mins before the Rollover Cut-Off Time on the Maturity Date of the Vault Series. Any Holder having deposited Digital Bond Tokens into the Bond Token Vault who no longer wishes to exercise the Automatic Rollover Subscription Option, must make a Bond Token Withdrawal before the Rollover Cut-Off Time.
- j.** Holders of Bond Token Vault Receipts are deemed to have read, understood and accepted the Offering Memorandum (including the Bond Conditions) and the Subscription Terms for each Series of Rollover Digital Bonds issued during

the period for which such Holder has Digital Bond Tokens in the Bond Token Vault.

## 12. 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 procedures prescribed in Bond Condition 18) (*Rollover Settlement*).
- b. 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).
- c. Immediately following a Rollover Settlement, the Issuer of the Rollover Bonds shall submit a payment claim to the Issuer in respect of the Final Payout Amount due under the Maturing Digital Bonds represented by the Digital Bond Tokens received by it from the Bond Token Vault, which claim shall be paid by the Issuer of the Maturing Digital Bonds delivering an amount in USD representing such Final Payout Amount to the Cash Collateral Account of the Subsequent Issuer, which payment shall fully and finally discharge the Preceding Issuer's obligations in respect of such Maturing Bonds.
- d. Upon receipt of the Final Payout Amount in respect of the Rolled Bonds, the Subsequent Issuer shall send the Digital Bond Tokens representing the Maturing Bonds to the Ethereum universal burn address, effecting a cancellation of such Maturing Bonds.
- e. The Subsequent Issuer shall apply the Final Payout Amount received by it in respect of the Maturing Bonds towards the purchase of Underlying T-bills having an aggregate principal amount equal to the aggregate principal amount of Rollover Bonds represented by the Digital Bond Tokens delivered by it into the Bond Token Vault.

## 13. REPRESENTATIONS, WARRANTIES AND CERTIFICATIONS OF ELIGIBLE SUBSCRIBERS, COMMITTED INVESTORS, HOLDERS AND TRANSFEREES (EACH, A PURCHASER AND, TOGETHER, THE "PURCHASERS")

- a. Each Holder, by acquiring any Digital Bonds (whether by receipt of a Digital Bond Token or a Bond Token Receipt), shall be deemed to make and give the representations, warranties and acknowledgements set out in Schedule 3 (*Holder Representations*) to the Bond Conditions (the "**Holder Representations**") to each of the Issuer, the Arranger, the Tokenizer and the Security Agent at the time of its acquisition of such Digital Bonds.
- b. **Purchaser Representations** In addition (and without duplication): (i) each Eligible Subscriber, at the time of placing any Bond Purchase Order on the Pivio Platform; (ii) each Committed Investor, at the time of settlement of such Committed Investor's Bond Purchase Order via the Smart Contract; and (iii) each Transferee (as defined below), at the time at which it accepts any Transfer (as defined below) of the Digital Bonds (whether by delivery of a Digital Bond Token or a Bond Vault Token), as applicable, shall be deemed to represent, warrant and certify to the Issuer, the Tokenizer and the Security Agent as follows:
  - i. If the Purchaser is a natural person or if beneficial ownership of the Purchaser is held by an individual through a revocable grantor trust or an individual retiree. nt account, the Purchaser or the Purchaser's beneficial owner has legal capacity and it is within the Purchaser's right and power to subscribe and commit to purchase the Digital Bonds, to perform the Purchaser's obligations under the Bond Conditions and these Subscription Terms and to receive any and all

Digital Bonds to be delivered to it.

- ii. If the Purchaser is not a natural person, the Purchaser is an entity of the kind indicated to the Issuer during the Issuer's Investor Screening process and is duly organized, formed or incorporated, as the case may be, and validly existing and in good standing, under the laws of the Purchaser's jurisdiction of organization, formation or incorporation, and the Purchaser has all requisite power and authority to subscribe for or purchase the Digital Bonds and to perform the Purchaser's obligations under these Subscription Terms and the Conditions, including, without limitation, the obligation to fund any and all Digital Bonds subscribed by the Purchaser, and to receive any and all Digital Bonds hereunder.
  - iii. The subscription and payment for any and all Digital Bonds by the Purchaser, the receipt of any and all Digital Bonds and the Purchaser's acceptance and performance of its obligations under these Subscription Terms and the Bond Conditions have been authorized by all necessary corporate or other action on the Purchaser's behalf.
  - iv. The individual placing a order or otherwise committing to subscribe for or purchase the Digital Bonds has been duly authorized by the Purchaser to do so.
  - v. These Subscription Terms and the Bond Conditions constitute the Purchaser's legal, valid and binding obligations, enforceable against the Purchaser in accordance with their respective terms. **The Purchaser understands that, upon acceptance by the Issuer, the Purchaser is not entitled to cancel, terminate or revoke its Bond Purchase Order, these Subscription Terms or the Bond Conditions.**
  - vi. These Subscription Terms and the Bond Conditions, the consummation of the transactions contemplated hereby and thereby, and the performance of the Purchaser's obligations hereunder and thereunder do not and will not conflict with, or result in any violation of or default under, any provision of any certificate of incorporation, memorandum and articles of association, by-laws, trust agreement, partnership agreement, limited liability company operating agreement or other organizational or governing instrument applicable to the Purchaser, or any agreement or other instrument to which the Purchaser is a party or by which the Purchaser or any of the Purchaser's properties are bound, or any permit, franchise, judgment, decree, statute, order, rule or regulation applicable to the Purchaser or to the Purchaser's business or properties.
- c. Securities Law and other Regulatory Representations** (i) each Eligible Subscriber, at the time of placing its order on the Pivio Platform; (ii) each Committed Investor, at the time of settlement of such Committed Investor's Bond Purchase Order; (iii) each Holder, at the time of making any claim for payment in respect of the Digital Bonds; and (iv) each Transferee, at the time at which it accepts any Transfer of the Digital Bonds (whether by receipt of a Digital Bond Token or a Bond Token Receipt), as applicable, shall be deemed to represent, warrant and certify to the Issuer, the Tokenizer and the Security Agent as follows:
- i. **Acknowledgement of Risks and Restrictions** The Purchaser has been advised, understands, acknowledges and agrees to the following:
    1. 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, Purchasers will not be afforded the protections of the Investment Company Act.

2. 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, and none of the foregoing has passed on the accuracy or adequacy of the Offering Memorandum, the merits of a Digital Bond, or the Issuer.
  3. An investment in the Digital Bonds is speculative and involves a substantial degree of risk of loss by the Purchaser, including the possibility of loss of the Purchaser's entire investment. The Purchaser understands that the Issuer's future performance is dependent on a number of factors beyond the control of the Issuer and that the Digital Bonds are subject to significant risks, including but not limited to those set forth in the Offering Memorandum. The Purchaser 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 and receiving Digital Bonds, including but not limited to those set forth in the Offering Memorandum.
  4. The Purchaser has been advised to consult with the Purchaser's own attorneys and other advisors regarding legal, tax and investment matters concerning the Digital Bonds and has done so to the extent the Purchaser considers necessary. The Digital Bonds may not be offered, sold, resold, pledged, hypothecated or otherwise Transferred except when made (A) 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; (B) in accordance with applicable laws, rules and regulations; and (C) in accordance with the requirements and conditions set forth in the Offering Memorandum, including, without limitation, the Transfer Restrictions and Eligibility Criteria set forth in Section 13 of these Subscription Terms.
- ii. **Privacy Notice** If the Purchaser is a natural person, he or she has received a notice regarding privacy of financial information under the U.S. Federal Trade Commission privacy rule, 15 C.F.R. Part 313 (the "**Privacy Rule**"). In accordance with Section 14 of the Privacy Rule, the Purchaser acknowledges and agrees that the Issuer may disclose non-public personal information of the Purchaser to the Issuer's accountants, attorneys and other service providers as necessary to effect, administer and enforce the Issuer's and the Purchasers' rights and obligations.
- d. **Money Laundering and OFAC** (i) each Eligible Subscriber, at the time of placing its order on the Pivio Platform, (ii) each Committed Investor, at the time of settlement of such Committed Investor's subscription via the Smart Contract; (iii) each Holder, at the time of making any claim for payment in respect of the Digital Bonds; and (iv) each Transferee, at the time at which it accepts any Transfer of the Digital Bonds (whether by receipt of a Digital Bond Token or a Bond Token Receipt), shall be deemed to acknowledge and agree, for the benefit of the Issuer, the Tokenizer and the Security Agent as follows:
- i. the Issuer seeks to comply with all applicable laws concerning money laundering and related activities. In furtherance of those efforts, the Purchaser hereby represents, warrants and agrees that, to the best of the Purchaser's knowledge based upon appropriate diligence and investigation:
    1. none of the cash or property that the Purchaser has paid, will pay or will contribute to the Issuer (including any amounts attributable to beneficial owners or underlying Purchasers of the Purchaser) 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

2. no payment by the Purchaser to the Issuer, to the extent that it is within the Purchaser'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 Purchaser shall promptly notify the Issuer if any of the representations in this section cease to be true and accurate regarding the Purchaser.
- ii. The Purchaser should check the OFAC website at the following address: (<https://www.treasury.gov/about/organizational-structure/offices/Pages/Office-of-Foreign-Assets-Control.aspx>) before making the following representations:
1. To the Purchaser's knowledge, the Purchaser's acquisition of 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 jurisdictions 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**").
  2. None of (A) the Purchaser; (B) any person controlling, controlled by, or under common control with the Purchaser; (C) if the Purchaser is a privately held entity, any person having a beneficial interest in the Purchaser; or (D) any person for whom the Purchaser is acting as agent or nominee in connection with the Digital Bonds (all natural persons described by the foregoing clauses (B) through (D) 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.
  3. The Purchaser will not, directly or indirectly, transfer, lend, contribute or make available the Digital Bonds or any proceeds thereof to any person located or resident in a Targeted Jurisdiction or utilize the Digital Bonds or any proceeds thereof

in any manner that would violate any sanctions administered by OFAC. The Purchaser, if an entity, or acting as an agent or nominee, has adopted procedures to acquire information from the persons described in clauses (B) through (D) above that substantiates the statements contained in the foregoing representation.

**e. Tax Information** The Purchaser certifies under penalties of perjury that (i) the Purchaser's name and address provided during Investor Screening is true and correct and (ii) each IRS Form W-8BEN, IRS Form W-8BEN-E, IRS Form W-8IMY, and IRS Form W-8EXP, as well as any additional self-certification form that the Purchaser has delivered to the Issuer (collectively, the "**Tax Forms**") is and will be true and accurate as of the date of settlement of its Bond Purchase Order and, as of each such date, the information provided by the Purchaser to the Issuer in connection with Investor Screening does not and will not omit to state any material fact necessary in order to make the statements contained therein not misleading.

**f. Confirmation of Purchaser Representations**

- i. The Purchaser represents, warrants and agrees that all of the representations and warranties above and all of the information, statements, answers and representations made by it to the Issuer in connection with Investor Screening are true and accurate as of the date thereof and shall be true and accurate as of the date of settlement of its Bond Purchase Order and, as of each such date, do not and will not omit to state any material fact necessary in order to make the statements contained therein not misleading.
- ii. If in any respect such information, representations or warranties shall no longer be true and accurate at any time, the Purchaser shall immediately give notice of this fact to the Issuer in writing, stating the specific information, representations or warranties that are no longer true and accurate and explaining the reasons why.
- iii. The Purchaser understands that this information will be relied on by the Issuer (and its professional advisors) for the purpose of determining the eligibility of the Purchaser to subscribe for, purchase and receive payments under the Digital Bonds. The Purchaser agrees to provide all information and execute and deliver all documents that the Issuer may reasonably request in order to verify the accuracy of the representations, warranties and covenants made by the Purchaser in these Subscription Terms, the Tax Forms, or to comply with any law, rule, regulation, tax, governmental or court order, contractual obligation or similar requirements to which the Issuer or its affiliates may be subject.

**g. FATCA Information**

- i. The Purchaser shall provide the Issuer, the Tokenizer, the Security Agent and any Paying Agent (each, a "**Relevant Party**") with any information, representations, certificates or forms relating to the Purchaser (or its direct or indirect owners or account holders) that are requested from time to time by the Relevant Party and that the Relevant Party determines in its sole discretion are necessary or appropriate in order for (i) the Relevant Party to (A) enter into, maintain or comply with the agreement contemplated by section 1471(b) of the United States Internal Revenue Code (the "**Code**"), (B) satisfy any requirement imposed under sections 1471 through 1474 of the Code in order to avoid any withholding required under sections 1471 through 1474 of the Code (including any withholding upon any payments to the Purchaser), (C) comply with any reporting or withholding requirements under sections 1471 through 1474 of the Code or (D) comply with any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of sections 1471 through 1474 of the Code. In addition, the Purchaser shall take such actions as the Relevant Party may reasonably request in connection with the foregoing.

- ii. In the event that the Purchaser fails to provide any of the information, representations, certificates or forms (or undertake any of the actions) required pursuant to this paragraph, the Issuer shall have full authority to take such steps as the Issuer determines in its sole discretion are necessary or appropriate to mitigate the consequences of the Purchaser's failure to comply with this paragraph on the Relevant Party.
- iii. If requested by a Relevant Party, the Purchaser shall execute any and all documents, opinions, instruments and certificates as the Relevant Party shall have reasonably requested or that are otherwise required to effectuate the foregoing. If the Purchaser fails to comply with this paragraph, it will, unless otherwise agreed by the Relevant Party in writing, to the fullest extent permitted by law, indemnify and hold harmless each Relevant Party for any costs or expenses arising out of such failure or failures, including any withholding tax imposed under sections 1471 through 1474 of the Code or as a result of any intergovernmental agreement described in clause (D) above on the Relevant Party and any expenses, withholding or other taxes imposed as a result of such failure.

#### 14. DISCLOSURE OF INFORMATION

- a. In order to enable the making of any payment under the Digital Bonds, the Issuer may need to process personal and financial information about you and share such information as described in the Privacy Notice. TO THE EXTENT YOUR CONSENT IS REQUIRED FOR THE ISSUER TO PROCESS OR SHARE PERSONAL AND FINANCIAL INFORMATION ABOUT YOU IN THIS WAY, THE ISSUER IS HEREBY REQUESTING YOUR CONSENT, AND YOUR CONSENT IS DEEMED TO BE GIVEN UPON SUBMISSION OF YOUR BOND PURCHASE ORDER. NOTHING IN THIS CONSENT PROHIBITS THE SHARING OF INFORMATION NECESSARY FOR THE ISSUER TO FOLLOW THE LAW OR AS OTHERWISE PERMITTED BY LAW.
- b. Each Purchaser, by acquiring any Digital Bonds, consents to the disclosure of any information it has furnished to the Issuer or any other Relevant Party to any governmental authority, self-regulatory organization or, to the extent required by applicable laws, rules, regulations, tax, governmental or court orders, contractual obligations or similar requirements, to any other person.

#### 15. TRANSFER RESTRICTIONS

- a. Any transfer of the Digital Bonds (whether by transfer of a Digital Bond Token or a Bond Vault Token) is subject to the Deed Poll (including the Bond Conditions) and the underlying protocol of the DLT and requires the transfer of the Digital Bond Tokens or Bond Token Receipts via the DLT.
- b. 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 and Transfer Restrictions*) of the Bond Conditions), transfers to which will be automatically blocked by the Smart Contract.
- c. **Selling Restrictions and Sanctions Restrictions** Transfers of the Digital Bonds (including by way of delivery of the Digital Bond Tokens or Bond Token Receipts ) are, however, restricted in accordance with:
  - i. the Selling Restrictions (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions); and
  - ii. the Sanctions Restrictions (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions), (together, the "**Transfer Restrictions**").
  - iii. in particular, a Purchaser may only Transfer (as defined below) Digital Bonds 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 Digital Bonds shall not be offered, sold, resold, pledged, hypothecated or otherwise Transferred (as defined below) except



when made (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 requirements and conditions set forth in the Offering Memorandum.

- d. **Eligibility Criteria** In addition, the Digital Bonds are not to be sold to any Person (and Digital Bond Tokens or 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 and Transfer Restrictions*) of the Bond Conditions (the "**Eligibility Criteria**").
- e. **Issuer does not conduct Investor Screening on Secondary Transfers** The transferability of the Digital Bond Tokens and Bond Token Receipts by Holders on the secondary market is not restricted by the Smart Contract except as set out in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions. **Other than for purposes of assessing whether to include a Holders' digital wallet address on the Digital Wallet Whitelist to enable the Holder 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.**

## 16. COMPLIANCE WITH TRANSFER RESTRICTIONS AND ELIGIBILITY CRITERIA

- a. 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 proposed transferee meets the Eligibility Criteria;
  - ii. the proposed transferee or the Holder is not a Sanctions Target (as defined in Paragraph 2 (*Sanctions Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions);
  - iii. the proposed transferee is not a U.S. Person (as defined in Paragraph 3 (*Selling Restrictions*) of Schedule 2 (*Sanctions and Transfer Restrictions*) of the Bond Conditions) and is located outside of the United States; and
  - iv. 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 and Transfer Restrictions*) of the Bond Conditions and all other securities laws applicable in the proposed transferee's home jurisdiction.
- b. 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 Bond Condition 39 (*Notices*). Holders will be deemed to have reviewed, understood and accepted and will 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.

## 17. 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**").

## 18. HOLDER ACKNOWLEDGEMENTS

Each Holder, by acquiring the Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts), shall be deemed to acknowledge and agree that:

- a. 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 (as defined in the Bond Conditions) of Digital Bonds; and
- b. 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 Bond 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 and therein, including but not limited to:
  - i. 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 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:
  - ii. adding or maintaining the digital wallet address of the ineligible Holder to the Digital Wallet Blacklist; or
  - iii. withholding any payment otherwise due under the Digital Bonds to such ineligible Holder,

(together, the “**Holder Acknowledgements**”).

## 19. SECURITY AGENT APPOINTMENT AND HOLDER INSTRUCTIONS

- a. In accordance with the Bond Conditions, by acquiring the Digital Bonds, each Holder, as a Committed Investor (as defined in Bond 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 receipt of Digital Bond Tokens or Bond Token Receipts), gives the Security Agent the instructions set out in Bond Condition 50) (*Holder Instructions*), including, without limitation, the instructions set out therein to exercise its rights under the Deed Poll (including the Bond Conditions) and the Security Deed upon the occurrence of a Realization Event (as defined in Bond Condition 23) (*Realization Event*), including (where applicable) by declaring the Digital Bonds immediately due and payable in accordance with Bond 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 the Bond Conditions). The Holders may only exercise their rights in respect of the Security under the Deed Poll, the Security Deed and the Bond Conditions through the Security Agent. 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.
- b. All Transferees of Digital Bonds, or any right or interest therein, will receive and hold such Digital Bonds or such right or interest therein subject to the Security Agent’s appointment and the Holder Instructions. The Holder Instructions shall be deemed to be given by each Transferee upon its acceptance of any transfer of Digital Bonds or any right or interest therein.

## 20. TRANSFER RESTRICTIONS, ELIGIBILITY CRITERIA, HOLDER REPRESENTATIONS, UNDERTAKINGS, ACKNOWLEDGEMENTS AND INSTRUCTIONS BINDING ON TRANSFEREES

- a. **All Transferees of Digital Bonds, or any right or interest therein, will receive and hold such Digital Bonds or such right or interest therein subject to the Transfer Restrictions and Eligibility Criteria and related obligations set forth in these Subscription Terms and the Bond**

**Conditions, including, without limitation, Sections 13, 14, 15 and 16 hereof.**

- b. All Transferees of the Digital Bonds shall be bound by The Holder Representations, the Holder Undertakings, the Holder Acknowledgements, the Holder Instructions and related obligations set forth in these Subscription Terms and the Bond Conditions, including, without limitation, Sections 12,13, 14, 15, 16 and 17 hereof.**
- c. All Holder Representations, Holder Undertakings, Holder Acknowledgements and Holder Instructions shall be deemed to be given and made by each Transferee upon its acceptance of any transfer of Digital Bonds (whether by receipt of Digital Bond Tokens or Bond Token Receipts) or any right or interest therein.**
- d. As used in this section,
  - i. **"Transfer"** means (i) the direct or indirect assignment, sale, transfer, tender, pledge, hypothecation, or the grant, creation or suffrage of a lien or encumbrance in or upon, or the gift, placement in trust, or the Constructive Sale (as defined below) or other disposition of any asset (including, without limitation, transfer by testamentary or intestate succession, or otherwise by operation of law) or any right, title or interest therein (including, without limitation, any right or power to vote to which the holder thereof may be entitled, whether such right or power is granted by proxy or otherwise) or the record or beneficial ownership thereof; (ii) the offer of any of the foregoing; or (iii) each agreement, arrangement or understanding, whether or not in writing, to effect any of the foregoing and a **"Transferee"** means the recipient of any such Transfer; and
  - ii. **"Constructive Sale"** means (1) a short sale with respect to any asset or rights therein; (2) entering into or acquiring an offsetting derivative contract with respect to any asset or rights therein; (3) entering into or acquiring a futures or forward contract to deliver any asset or rights therein; or (4) entering into any other hedging or other derivative transaction that has the effect of materially changing the benefits and risks of ownership of any asset or rights therein.

## **21. SURVIVAL OF PURCHASER REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

All agreements, representations and warranties contained herein or made in writing by or on behalf of the Purchaser in connection with the transactions contemplated by these Subscription Terms and/or the Bond Conditions shall survive the completion of the arrangements contained in these Subscription Terms, the settlement of the Purchaser's Bond Purchase Order and the delivery of the Digital Bonds.

## **22. ISSUER'S REPRESENTATIONS AND WARRANTIES**

The Issuer represents and warrants to each Committed Investor on the Issue Date of the Digital Bonds that:

- a. Incorporation and authority** The Issuer is validly incorporated, duly registered and validly existing under the laws of Bermuda). The Issuer is the valid owner of its assets and has full power and authority to conduct its business as it currently is conducted. The Issuer has the capacity to enter into these Subscription Terms, the Bond Conditions and the Available Documents and to perform its obligations thereunder; performance of these Subscription Terms and of the Available Documents by the Issuer conform to its corporate purpose.
- b. Relationship with other obligations** These Subscription Terms, the Bond Conditions, the Available Documents and the performance of the obligations resulting therefrom for the Issuer do not conflict and will not conflict (a) with any of its incorporation documents; or (b) with any agreement or other instrument having a binding effect on the Issuer, or by which any of its assets are bound.
- c. Authorisations and powers** The entry into and performance of these Subscription Terms, the Bond Conditions and of the Available Documents have

been duly authorised by the Issuer's competent management bodies. Each of the signatories of the Available Documents has full power and capacity to execute said agreements on behalf of the Issuer.

- d. **Authorised nominal amount** The issue of the Digital Bonds shall not exceed the limit of the nominal amount authorised by the resolution of the board of directors of the Issuer approving the issuance of the Digital Bonds.
- e. **Validity and admissibility as proof** All of the authorisations, approvals, deliberations, exemptions, registrations, notarised affidavits and all consents, permits or registrations necessary needed for the Issuer to be able to sign the Available Documents to which it is a party, to exercise the resulting rights and perform the resulting obligations and those that result from the Bond Conditions to be admissible as proof before the courts of the country of its registered office, have been obtained and are in force.
- f. **Sanctions** Neither the Issuer nor, to the best of the Issuer's knowledge, any of its representatives, agents, employees or affiliates is currently subject to any Sanctions; and the Issuer will not allocate in any manner the proceeds of the issue of the Digital Bonds, nor will it lend, contribute or otherwise make available these proceeds, to a joint venture or to any other person or entity, for the purpose of financing the activities of any person currently subject to Sanctions.
- g. For the purpose of the above representation:
  - i. **"Sanctions"** means the sanctions imposed by the European Union, Her Majesty's Treasury and/or the OFAC Regulations (as defined below) or any other sanctions or equivalent measures (including any sanction or measure regarding any embargo) imposed by the government of Bermuda, the United States of America, the UK, the EU, the United Nations or any other competent authority vis-a-vis the Issuer; and
  - ii. **"OFAC Regulations"** means the regulations of the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**").
- h. **Anti-Corruption** None of the Issuer, nor any of its representatives, agents or employees or any other person associated with them, or acting on its behalf has (i) made whether directly or indirectly an unlawful payment to an employee or to an official representative of the government of Bermuda or of a foreign government with the funds of the Issuer or (ii) violated, or is in violation of any applicable corruption laws and regulations (whether active or passive).
- i. **Anti-Money Laundering** The operations of the Issuer are carried out in accordance with the requirements governing financial record keeping and monitoring and with money laundering prevention regulations applicable in Bermuda, with the associated rules and regulations, and with all of the resulting rules, regulations issued, managed or imposed by any governmental authority having jurisdiction over the Issuer.
- j. **Directed Selling Efforts** Neither the Issuer nor its affiliates as defined by Rule 405 implementing the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), nor any person acting on its behalf or on behalf of such affiliated entities has engaged, or will engage in, any directed selling efforts, as defined by Regulation S ("**Regulation S**") of the U.S. Securities Act with respect to the Digital Bonds.
- k. **Foreign Private Issuer** The Issuer is a foreign private issuer as defined by Regulation S.
- l. **Substantial U.S. Market Interest** There is no substantial U.S. market interest (as such expression is defined by Regulation S) in the Issuer's debt securities.

## 23. SURVIVAL OF ISSUER'S REPRESENTATIONS AND WARRANTIES

The aforementioned representations, warranties on the part of the Issuer shall remain in full force and effect notwithstanding the completion of the arrangements contained in these Subscription Terms for the issue of the Digital Bonds.

#### **24. INDEMNIFICATION**

- a.** The Purchaser understands the meaning and legal consequences of the representations, warranties, certifications, undertakings, agreements, acknowledgments and instructions set forth herein and in the Offering Memorandum, and agrees that its Bond Purchase Order may be accepted and any payment under the Digital Bonds may be made to it in reliance thereon and on the information provided by it during Investor Screening.
- b.** The Purchaser agrees to provide, if requested, any and all additional information that may reasonably be requested to determine the eligibility of the Purchaser to acquire the Digital Bonds. To the maximum extent permitted by law, the Purchaser agrees to indemnify and hold harmless the Issuer and any and all agents thereof (including for this purpose the Tokenizer, the Security Agent, any Paying Agent and each of the respective shareholders, partners, members, directors, managers, officers, principals, employees, attorneys, agents and affiliates and each person who controls the Issuer and each of such entities within the meaning of Section 20 of the Securities Exchange Act of 1934, as amended) from and against any and all expenses, losses, damages, liabilities, claims or causes of action, including all attorneys' fees and disbursements (including such fees and expenses incurred in connection with enforcing the Purchaser's indemnification obligations hereunder), which any such parties may incur by reason of, or in connection with, any representation, warranty, certification, undertaking, agreement, acknowledgment or instruction of the Purchaser contained herein (including the information provided by the Purchaser during Investor Screening), in any document provided by the Purchaser to the Issuer in connection with the Purchaser's acquisition or the receipt by the Purchaser of any payment under the Digital Bonds, not being true when made, any misrepresentation made by the Purchaser or any failure by the Purchaser to fulfill any of the undertakings or agreements set forth herein, in the Offering Memorandum, or in any other agreement or document provided by the Purchaser to the Issuer in connection with the Purchaser's acquisition of, or the receipt by the Purchaser of any payment under, the Digital Bonds.

#### **25. TAXATION**

- a.** The Digital Bonds are expected to be treated as debt for U.S. federal income tax purposes. Interest (or any payments in the nature of interest) paid on the Digital Bonds may not be eligible for the "portfolio interest exemption", and thus, may be subject to U.S. federal withholding taxes (for beneficial owners who are not "United States persons" for U.S. federal income tax purposes) or other material limitations (for beneficial owners who are "United States persons" for U.S. federal income tax purposes).
- b.** Prospective Purchasers should consult their own advisors regarding the tax consequences of and risks related to an investment in the Digital Bonds.

#### **26. NOTIFICATIONS**

All required notifications pursuant to these Subscription Terms can be delivered:

- a.** For the Issuer, to it at: c/o Walkers Corporate (Bermuda) Limited  
Park Place  
55 Par-la-Ville Road  
Hamilton, HM 11, Bermuda  
FAO: The Directors  
E-mail: jan@pv0.one
- b.** For the Purchaser, to it at: the e-mail address provided by the Purchaser to the Issuer in connection with Investor Screening.

#### **27. SEVERABILITY**

Each provision of these Subscription Terms shall be considered severable, and if for any

reason any provision is determined by a court of competent jurisdiction to be invalid or unenforceable or contrary to any existing or future applicable law, such invalidity shall not impair the operation of or affect other provisions of these Subscription Terms. In that case, these Subscription Terms shall be construed so as to limit any term or provision so as to make it enforceable or valid within the requirements of any applicable law, and in the event such term or provision cannot be so limited, these Subscription Terms shall be construed to omit such invalid or unenforceable provisions.

## **28. GOVERNING LAW AND JURISDICTION**

- a.** These Subscription Terms (including any non-contractual obligations) are governed by and construed in accordance with English law.
- b.** Any dispute arising out of these Subscription Terms (including any dispute regarding the existence, validity or termination of these Subscription Terms) shall be submitted to the exclusive jurisdiction of the courts of England and Wales.

## **29. ENTIRE AGREEMENT**

- a.** These Subscription Terms and the Bond Conditions constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof and thereof, and any other written or oral agreement relating to the subject matter hereof and thereof existing between the parties are superseded.
- b.** These Subscription Terms may be updated from time to time. Holders are deemed to have read and accepted the version of the Subscription Terms available on the product page for each Series of Digital Bonds for which they place a Subscription Order and each for each Series of Rollover Bonds which have been subscribed by the Holder through the exercise of the Automatic Rollover Subscription Option.