

FINAL TERMS

Dated 19/07/2024

Programme for the Issue of Carbon Securities

HANetf ETC Securities plc (the “Issuer”)

2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland

Issuance of 81,957 Carbon Securities of SparkChange Physical Carbon EUA ETC issued under the Programme (“Tranche 71”)

These Final Terms (as referred to in the base prospectus (the “Prospectus”) dated 29th April 2024 in relation to the above Programme) relates to the issue of the Carbon Securities referred to above. Terms used in these Final Terms have the same meaning as in the Prospectus.

The Carbon Securities have the terms provided for in the Conditions.

These Final Terms have been prepared for the purpose of the UK Prospectus Regulation and for filing with the relevant competent authority for the purposes of Article 8(4) thereof.

These Final Terms must be read in conjunction with the Prospectus and any supplement thereto, which are published on the Issuer’s Website on the relevant product page at <https://www.hanetf.com/spark> pursuant to Article 21 of the UK Prospectus Regulation. An investor will only have full information on the Issuer and the offer of Carbon Securities if it reads these Final Terms and the Prospectus are read together.

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

All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

Issuer (and LEI)	HANetf ETC Securities plc LEI: 635400GQU6WKILM5R975
Class	SparkChange Physical Carbon EUA ETC
ISIN	XS2353177293
Principal Amount	1.00 EUR
Trading Method	Units
Relevant Currency	EUR

Aggregate number of the Class of Carbon Securities to which these Final Terms apply:

(a) **Comprising the Tranche (A)** 81,957 Carbon Securities

(b) **Prior to the issue of this Tranche** 2,539,079

(c) **Immediately following the issue of this Tranche** 2,305,897

Trade Date 18/07/2024

Issue Date 22/07/2024

Carbon Entitlement per Security pertaining to the Trade Date for this Tranche (B) 0.97611555 EUAs

Carbon Entitlement (AxB) 79999.50212 EUAs

Total Expense Ratio 0.89 per cent. per annum

Subscription Minimum Equivalent of 10 000 EUAs

Subscription Maximum Not applicable

Specified Denominations The Carbon Securities may be traded in integral multiples of one

Interest Type Zero coupon

Default Interest Not applicable

Intended to be held in a manner which would allow Eurosystem eligibility Not Applicable

Form Bearer Notes
Permanent Global Note which is exchangeable for Definitive Notes, in the limited circumstances specified in the Global Note

NGN Form: Not applicable

Redemption Date Not Applicable

Expenses or taxes charged to the subscriber or purchaser of this Tranche 350 EUR

Additional Information

Listing Application has been made for the Carbon Securities to be admitted to the official list of the UK Listing Authority and for the Carbon Securities to be admitted to trading on the London Stock Exchange.

Application may be made for the Carbon Securities to be listed on additional stock exchanges and admitted to trading on additional markets from time to time.

Relevant Stock Exchange(s) London Stock Exchange

Reasons for the Offer The net proceeds from the issue of Carbon Securities will be used by the Issuer to subscribe for the Backing Note issued by the Backing Issuer under the Backing Issuer Programme which will in turn be backed by an amount of Underlying Allowance(s) of the relevant type which will be held in the Backing Issuer Secured Allowance Account in respect of such Carbon Securities. Such Underlying Allowance(s) of the relevant type shall only be used to meet the Backing Issuer's obligations to the Issuer under the relevant Backing Note, and thus the Issuer's obligations under the relevant Carbon Securities.

Relevant Clearing System Euroclear/ Clearstream

Agents See section headed "*Directory*" in the Prospectus

Authorised Participants As at the Issue Date of the Tranche of Carbon Securities to which these Final Terms relate:

Flow Traders B.V.
Jacob Bontiusplaats 9, 1018 LL Amsterdam, Netherlands

The full list of Authorised Participants in respect of the Class from time to time will be published at <http://www.hanetf.com/spark> (or such other website as may be notified to Securityholders).

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the Tranche of Carbon Securities described herein pursuant to the Programme.

The Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as this Tranche in all respects or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

So far as the Issuer is aware, no person involved in the offer of the Carbon Securities has an interest material to the offer

Signed on behalf of the Issuer:

By: 

Duly authorised

SUMMARY OF THE INDIVIDUAL ISSUE

A. INTRODUCTION AND WARNINGS	
(a)	<i>Name and international securities identifier number (ISIN) of the Carbon Securities</i>
Issue of 81,957 Carbon Securities of SparkChange Physical Carbon EUA ETC issued under the Carbon Securities Programme of the Issuer (the " Programme "), with ISIN XS2353177293.	
(b)	<i>Identity and contact details of the issuer, including its legal entity identifier (LEI)</i>
HANetf ETC Securities plc (the " Issuer ") is a public company limited by shares incorporated in Ireland. The Issuer's registered address is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland and its Irish law registration number is 664945. The Issuer's telephone number is +353 1 411 2949. The Issuer's legal entity identifier is 635400GQU6WKILM5R975.	
(c)	<i>Identity and contact details of the competent authority approving the Base Prospectus</i>
The Base Prospectus has been approved by the Financial Conduct Authority (the "FCA"), as competent authority in accordance with the UK version of Regulation (EU) No 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 of the UK (the " UK Prospectus Regulation "). The FCA has its head office at Financial Conduct Authority, International Quarter London, 12 Endeavour Square, London E20 1JN and telephone number +44 20 7066 1000.	
(d)	<i>Date of approval of the Base Prospectus</i>
The Base Prospectus was approved on 5 th May 2023 (the " Prospectus Date ").	
(e)	<i>Warnings</i>
<ul style="list-style-type: none"> • This summary has been prepared in accordance with Article 7 of the UK Prospectus Regulation and should be read as an introduction to the base prospectus, including the final terms ("Final Terms") applicable to the relevant Class of Carbon Securities (the "Prospectus"). • Any decision to invest in the secured, limited recourse securities (the "Carbon Securities") issued under the Programme to which this Prospectus relates should be based on a consideration by the investor of the Prospectus as a whole. • Any investor (a "Securityholder") could lose all or part of their invested capital but would not lose more than their invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States of the European Union, be required to bear the costs of translating the Prospectus before legal proceedings are initiated. • Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or it does not provide, when read together with the other parts of the Prospectus, key information in order to aid investors when considering whether to invest in the Carbon Securities. 	

B. KEY INFORMATION ON THE ISSUER	
Who is the issuer of the securities?	
(a)	<i>Domicile, legal form, LEI, jurisdiction of incorporation and country of operation of the Issuer</i>
The Issuer was incorporated in Ireland on 24 January 2020 as a public limited company under Irish law with registration number 664945. Its legal entity identifier is 635400GQU6WKILM5R975.	
(b)	<i>Principal activities of the Issuer</i>
The Issuer has been established for the purpose of issuing securities backed by commodities or emissions allowances (including the Carbon Securities) and, in relation to the Carbon Securities, entering into agreements relating to the Carbon Securities and the underlying Allowances.	
(c)	<i>Major Shareholders of the Issuer</i>
As at the Prospectus Date, the authorised share capital of the Issuer is €25,000 divided into 25,000 ordinary shares of which have issued and paid up to the amount of EUR 6,250 and are held by Apex Corporate Services (Ireland) Limited, a company incorporated in Ireland.	
(d)	<i>Key managing directors of the Issuer</i>
Niall Vaughan , Ciaran Connolly and David O'Neill.	
(e)	<i>Statutory auditors of the Issuer</i>
EY	
What is the key financial information regarding the Issuer?	
The Issuer is a public limited company incorporated in Ireland. Save for, the issuance of metal securities pursuant to the Issuer's physical metal securities programme which is governed by the metal securities base prospectus, the Issuer has no prior operating history or revenues upon which may be used to evaluate its likely performance and the performance of the Carbon Securities. The Issuer intends to publish half-yearly and yearly financial statements for each financial year. The Issuer will publish half-yearly interim financial statements up to 30 th September by December 31 in each year and will publish yearly audited financial statements up to 31 March by July 31 in each year.	
What are the key risks that are specific to the Issuer?	
<ul style="list-style-type: none"> • The Issuer expects that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) ("Section 110"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer subject to the Issuer meeting all relevant conditions of Section 110. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, or any of its expenses are not deductible for tax purposes, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows connected with the Carbon Securities and as such could adversely affect the tax treatment of the Issuer and consequently the payments on the Carbon Securities. • The Issuer has, and will have, no assets available to meet claims in respect of Carbon Securities other than: <ul style="list-style-type: none"> (a) the Backing Notes held which are backed by the Underlying Allowances in respect of the Carbon Securities (to the extent not applied in discharge of certain establishment expenses of the Issuer); (b) a small amount of profit received by the Issuer in connection with the issue of the Carbon Securities; and (c) in respect of the Carbon Securities, any rights, property, sums or other assets on which such Carbon Securities issued under the Programme are secured. 	

- The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank as a result of issuing the Carbon Securities. There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the prevailing securities, banking or commodities laws of that jurisdiction or that legal or regulatory requirements in this respect will not change so as to bring the Issuer's activity relating to the Carbon Securities within the scope of such laws. Any such requirement or change could have an adverse impact on the Issuer or the Securityholders.

C. KEY INFORMATION ON THE SECURITIES	
What are the main features of the Carbon Securities?	
(a)	<i>Type, class and ISIN</i>
The Carbon Securities are commodity-linked securities and may be issued in bearer form and in classic global note (“ CGN ”) form. The ISIN Code is XS2353177293 for SparkChange Physical Carbon EUA ETC (the “ Class ”).	
(b)	<i>Currency, denomination, par value, number of securities issued and duration</i>
The Carbon Securities are denominated in the currency set out in the Final Terms applicable to that Class. The Carbon Securities are secured undated zero coupon debt securities. The aggregate number of Carbon Securities issued under the Programme will not at any time exceed 10,000,000,000. Each Carbon Security has a face value known as the “ Principal Amount ”. The Principal Amount in respect of a Class of Carbon Securities will be set out in the Final Terms applicable to that Class. The Principal Amount and minimum denomination in respect of the initial tranche of the Carbon Securities will be 1.00 EUR per Carbon Security.	
(c)	<i>Rights attached to the Carbon Securities</i>
<p>Overview – A Carbon Security is a secured, undated zero coupon limited recourse debt obligation of the Issuer, issued by the Issuer. The Carbon Securities are backed by a security (the “Backing Note”), the Backing Note is issued to the Issuer by Spark Change Jersey Issuer Limited (the “Backing Issuer”) and is back by the relevant physical EU Carbon Emission Allowance (“EUA Allowance”). The Backing Issuer holds the physical EUA Allowances in a European Union registry holding account.</p> <p>Each Carbon Security has a “Carbon Entitlement” which specifies the amount of the relevant EUA Allowance to which a Securityholder is ultimately entitled. The Carbon Entitlement per Carbon Security is linked to the relevant EUA Allowance by means of the Backing Note issued by the Backing Issuer to the Issuer, which gives the Issuer an entitlement to the relevant EUA Allowance. The carbon entitlement of the Backing Note is identical to the Carbon Entitlement of all outstanding Carbon Securities (before fees) issued by the Issuer and held by Securityholders.</p> <p>A Carbon Security entitles the Securityholder to request redemption of the Carbon Security in exchange for delivery of the physical relevant EUA Allowance equivalent to the Carbon Entitlement and on the redemption settlement date receive a number of the relevant EUA Allowances equal to the relevant Carbon Entitlement of that Carbon Security on the date the redemption form is determined to be valid (“Carbon Delivery”). In limited circumstances where Carbon Securities are being redeemed by sale of allowances instead (“Carbon Sale”), the Securityholder is entitled to receive its share of the Net Redemption Sale Proceeds of an amount of cash received by the Issuer (less any Redemption Fee) in respect of the Carbon Securities being redeemed. As at the issue date, the Carbon entitlement per Security in respect of the initial tranche of the SparkChange Physical Carbon EUA ETC is 1.000000000 EUAs. On each subsequent day, the Carbon Entitlement in respect of each Carbon Security (the “Carbon Entitlement per Security”) is reduced at a rate equal to the portion of the total expense ratio (described in section D below) applicable to such day.</p> <p>During the life of the Carbon Securities, Securityholders can buy and sell Carbon Securities on each exchange on which the Carbon Securities are listed from time to time. Only the authorised participants in respect of the Class specified in the Final Terms can subscribe for Carbon Securities directly from the Issuer. Any Securityholder can request to redeem Carbon Securities directly with the Issuer, except in limited circumstances.</p> <p>No interest - The Carbon Securities are secured, undated zero coupon debt securities that do not pay interest.</p> <p>Limited recourse - Securityholders will have recourse only to the secured property in respect of the Class and shall not have recourse to any other assets of the Issuer. Following realisation of the secured property and the application of the available cash sum, any outstanding claims against the Issuer shall be extinguished and no debt shall be owed by the Issuer to any Securityholder in respect of such sums. Following extinguishment of any such claim, no further steps may be taken against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim.</p>	

Meetings - The relevant trust deed in respect of each Class contains provisions for convening meetings of Securityholders of a single Class to consider any matter affecting their interests, including modification by extraordinary resolution of the relevant Class of Carbon Securities (including the terms and conditions of the Carbon Securities or the provisions of that trust deed insofar as it may apply to such Class of Carbon Securities). Such a meeting may be convened by Securityholders holding not less than one fifth in number of the Carbon Securities then outstanding.

(d) *Rank of the Carbon Securities in the Issuer's capital structure upon insolvency*

The Carbon Securities are secured, undated zero coupon, limited recourse obligations of the Issuer and the Carbon Securities rank equally with the Metal Securities, which is the other indebtedness of the Issuer.

Security - The Issuer's obligations in respect of each Class of Carbon Securities and interest in the Backing Notes insofar as it relates to each Class of Carbon Securities are secured by the security created by the Security Deed (English law governed) and the Jersey Security Agreement (Jersey law governed).

The security created by the Security Deed is granted to the Security Trustee in respect of each Class of Carbon Securities as continuing security for the payment of the secured liabilities for and on behalf of the Securityholders and the other Secured Parties by an assignment of security of all the Issuer's rights, title and interest in respect of such Class. The security created by the Jersey Security Agreement is granted to the Security Trustee in respect of each Class of Carbon Securities as continuing security for the payment of the secured liabilities for and on behalf of the Securityholders and the other Secured Parties by a first ranking security of all the Issuer's rights, title and interest in the Backing Notes insofar such rights, title and interest relate to such Class of Carbon Security.

The security constituted by the applicable security documents in respect of each Class of Carbon Securities will become enforceable upon the occurrence of an event of default.

Events of Default - The events of default for the Issuer and Backing Issuer are the same of which the Issuer is subjected to:

- a) the Issuer defaults in the payment of any sum due in respect of a Class of Carbon Securities or any of them for a period of 14 calendar days or more;
- b) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under such Class of Carbon Securities, the Trust Deed, the Security Deed or any other Programme Document relating to that Class, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time);
- c) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;
- d) an examiner is appointed in respect of the Issuer;
- e) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Backing Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution of the Backing Noteholder(s); or
- f) the Backing Issuer seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets.

The Issuer will, as soon as reasonably practicable, after receipt of a Default Redemption Event Notice, give notice thereof to the applicable Securityholders of such Class.

Order of Priority

Under the terms of the Trust Deed, the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the security constituted by the security document as follows:

- a) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable to the Trustee, the Security Trustee or any receiver in respect of the Carbon Securities under or pursuant to the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee and/or the Security Trustee (other than any income, corporation or similar Tax in respect of the Trustee's and/or the Security Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);
- b) second, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);
- c) third, in payment of any amounts owing to HANetf pursuant to the Management and Determination Agent Agreement;
- d) fourthly, in payment of any amounts owing to the Securityholders *pari passu* and rateably; and
- e) fifthly, in payment of any balance to the Issuer for itself.

(e)	<i>Restrictions on free transferability of the Carbon Securities</i>
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The Carbon Securities are not subject to any restrictions on transferability. There are restrictions on the offer and sale of the Carbon Securities into, amongst other jurisdictions, the United States and the United Kingdom. In particular, Carbon Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons.

(f)	<i>Where will the Carbon Securities be traded?</i>
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Application has been made to the FCA for the Carbon Securities issued under this Programme to be admitted to the official list of the FCA. Application will be made to the London Stock Exchange plc for the Carbon Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange.

(g)	<i>What are the key risks that are specific to the Securities?</i>
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Market Price of the Carbon Securities

- Prospective investors should be aware that the secondary market price of the Carbon Securities can go down as well as up throughout the life of the Carbon Securities. Prospective investors should be aware that the market price of the Carbon Securities on any day may not reflect their prior or future performance. As a result of adverse price movements, a Securityholder may lose the value of its entire investment or part of its investment in Carbon Securities.

Risks Relating to Price of Underlying Allowances

- The Carbon Securities are linked (through the Backing Note) to emissions allowances. Prospective investors should note that the value of a Class of Carbon Securities will be affected by movements in the price of the underlying type of Allowance. The price of Allowances which back the Carbon Securities may fluctuate widely and is affected by numerous factors beyond the Issuer's control: i) Global or regional political, economic, environmental or financial events and situations (including pandemics); ii) The activities and emissions of energy-intensive sectors such as those that are subject to the respective compliance schemes (including manufacturing facilities, oil refineries, power stations and, aviation); and iii) The activities and emissions of energy-intensive sectors such as those that are

subject to the respective compliance schemes (including manufacturing facilities, oil refineries, power stations and, aviation).

Legal or Regulatory Risks Relating to Changes to a Trading Scheme

- Emissions allowances can only be traded in accordance with the relevant Trading Scheme and other applicable laws, including, financial regulatory laws. Changes in these and other laws and regulations (or prospective changes to any of them) may affect the market value and liquidity of the Underlying Allowances, the market value and liquidity of the Carbon Securities, and the ability of the Issuer to continue to offer the product.

Risks relating to the Backing Issuer

- The Backing Issuer has, and will have, no assets available to meet claims in respect of the Backing Notes other than: i) the Underlying Allowances held in respect of the Backing Notes (to the extent not applied in discharge of certain establishment expenses of the Backing Issuer); ii) a small amount of profit received by the Backing Issuer in connection with the issue of the Backing Notes; and iii) in respect of the Backing Notes, any rights, property, sums or other assets on which such Backing Notes issued under the Backing Issuer Programme are secured.

Risks Relating to the Secured Allowance Account

- The Backing Issuer Secured Allowance Account is held in the name of the Backing Issuer in the Luxembourg section of the Union Registry and has been pledged to the Backing Issuer Security Trustee pursuant to the Allowance Security Document. If the Backing Issuer became subject to an insolvency proceeding the National Administrator for Luxembourg would have the right to suspend the Backing Issuer Secured Allowance Account which would prevent Redemptions from that account until the National Administrator receives official information about who has the rights to represent the Backing Issuer as the account holder.

Risks Relating to the Disposal Counterparty

- The Issuer and the Backing Issuer intend to enter into a Disposal Counterparty Agreement and the Backing Issuer intends to enter into an ISDA Master Agreement, in each case, with the Disposal Counterparty to effect purchases by the Disposal Counterparty of Allowances from the Backing Issuer in connection with, amongst other things, a Compulsory Redemption. If the Disposal Counterparty defaults in making a payment owed to the Backing Issuer with respect to the purchase of Allowances, the liability of the Backing Issuer to meet its obligations owed to the Issuer under the Backing Note and the Issuer's ability to meet its obligations to Securityholders would each be reduced by the amount of the deficiency. Furthermore, if as a result of its default the Disposal Counterparty Agreement was terminated, a replacement Disposal Counterparty would need to be found.
- Pursuant to the terms of the Disposal Counterparty Agreement, the Disposal Counterparty is only responsible for any loss or damage as a result of any negligence, fraud or wilful default on Disposal Counterparty's part in the performance of its duties. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Disposal Counterparty in circumstances where the Allowance(s) is lost or stolen in the course of a Carbon Sale.

Early Redemption of Backing Notes

- The Issuer's investment in Backing Notes may be subject to a compulsory redemption by the Backing Issuer. The occurrence of a compulsory redemption of the Backing Notes themselves may cause the Issuer to exercise its right to compulsorily redeem the Carbon Securities or otherwise result in a Compulsory Redemption. As a result, an investment in Carbon Securities could be redeemed earlier than desired by a Securityholder and at short notice (i.e. by way of a Compulsory Redemption) and the Securityholder may not get back all of their original investment.

Reliance on Authorised Participants

- Only Authorised Participants may deal with the Issuer in applying for Carbon Securities to be issued. There can be no assurance that there will at all times be an Authorised Participant to deal with the Issuer in applying for Carbon Securities. In the event that there is no Authorised Participant, a Securityholder would not be able to sell Carbon Securities to an Authorised Participant. In such an event it may also be difficult or impossible for a Securityholder to sell Carbon Securities on the Relevant Stock Exchanges at a price close to the market value of the Allowances or within a reasonable time period. In such a case, a Securityholder may only Redeem by way of Carbon Delivery

directly with the Issuer, which is a more complex process and may take longer and be more costly (due to payment of the Redemption Fee) than a sale of the Carbon Securities On-Exchange.

Risks Relating to the Application of the Total Expense Ratio

- The Carbon Entitlement per Security in respect of a Class will decrease over time as a portion of the total expense ratio (a rate per annum specified in the Final Terms in respect of a Class) is applied to the Carbon Entitlement on a daily basis, which reduces the Carbon Entitlement per Security. There is no guarantee that the underlying Carbon in respect of a Class will outperform the total expense ratio, meaning that the value of a Securityholder's investment could decrease over time.

Risks Relating to Security

- The Securityholders will have recourse only to the secured property in respect of a Class, and not to any other assets of the Issuer. If, following realisation in full of the secured property relating to the relevant Class and application of available assets, any outstanding claim against the Issuer relating to such Class remains unsatisfied, then such outstanding claim will be extinguished and no obligation will be owed by the Issuer in respect thereof,
- The security trustee may enforce the security at its discretion but is only required to enforce the security on behalf of a Securityholder if it is directed to do so by the Trustee and provided the Trustee has been instructed by a specified portion of the Securityholders and indemnified, secured and/or pre-funded to its satisfaction. In circumstances where the security trustee is not directed to enforce the security, a Securityholder will have no right to proceed directly against the Issuer and may therefore not be able to realise the value of its investment.

Tax Risks Relating to an Investment in the Carbon Securities

- The tax consequences of an investment in the Carbon Securities (including the related impact on the income received from Carbon Securities) may differ depending: (i) on the structure and/or location of the relevant Securityholders; (ii) the tax laws of the prospective investor's jurisdiction; and/or (iii) the tax laws of the Issuer's country of incorporation. Consequently, prospective investors are advised to consult with their tax advisers as to their specific consequences of the acquisition, holding or disposal of the Carbon Securities. Neither the Issuer nor any other Programme Party make any representation or warranty as to the tax consequences of the acquisition, holding or disposal of the Carbon Securities (or any activities relating to such trading activity).

Risk Factors Relating to Legal Matters

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

D. KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND THE ADMISSION TO TRADING ON A REGULATED MARKET

(a)	<i>Under which conditions and timetable can I invest in this security?</i>
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Subscription - Only an authorised participant may subscribe for Carbon Securities by way of a valid subscription form in accordance with the terms of the applicable authorised participant agreement and the operating procedures. The Issuer has absolute discretion to accept or reject in whole or in part any such subscription request. Following a Subscription for Carbon Securities, an Authorised Participant must deliver Allowances (subject to rounding) in an aggregate amount equal to the Carbon Entitlement of the Carbon Securities into the Backing Issuer Secured Allowance Account. Once the Allowances are transferred to the Backing Issuer Secured Allowance Account, the Carbon Entitlement per Backing Note of the relevant Class of Backing Note will be increased commensurately in accordance with the terms and conditions of such Backing Note to ensure the Carbon Entitlement of the Backing Note always matches the Carbon Entitlement of all Carbon Securities then outstanding, and the Issuer will create the Carbon Securities and deliver them to the Authorised Participant via the Relevant Clearing System. The relevant Underlying Allowances will be held with all other Allowances attributable to that Class of Carbon Securities in the Secured Allowance Account.

Subscription minimum - As at the Prospectus Date, the Subscription Minimum in respect of SparkChange Physical Carbon EUA ETC is such number of Carbon Securities which have a minimum Carbon Entitlement of 10,000 Allowances.

Offer price - The offer price per Carbon Security will be the delivery of the Carbon Entitlement per Security specified in the Final Terms, subject to any applicable fees.

Expenses - The Carbon Entitlement per Security is reduced each day from the first day of listing and trading On-Exchange by the Total Expense Ratio in respect of the relevant Class. The "Total Expense Ratio" in respect of each Class is calculated at the rate per annum specified as such in the Final Terms in respect of each Class of Carbon Securities. The Total Expense Ratio in respect of a Class is applied to the Carbon Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Allowances from such Carbon Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of Carbon Securities for that Class. As at the date of the Prospectus, the total expense ratio in respect of SparkChange Physical Carbon EUA ETC is 0.89 per cent. per annum of the Underlying Allowances. The rate of the total expense ratio in respect of any class or classes of Carbon Securities may be varied by the Issuer from time to time.

(b)	<i>Why has the prospectus been produced?</i>
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Reasons for the offer and use of net proceeds – The net proceeds from the issue of Carbon Securities will be used by the Issuer to subscribe for the Backing Note issued by the Backing Issuer under the Backing Issuer Programme which will in turn will be backed by an amount of Underlying Allowance(s) of the relevant type which will be held in the Backing Issuer Secured Allowance Account in respect of such Carbon Securities. Such Underlying Allowance(s) of the relevant type shall only be used to meet the Backing Issuer's obligations to the Issuer under the relevant Backing Note, and thus the Issuer's obligations under the relevant Carbon Securities.

Material and conflicting interests - Mr. Vaughan is also director of Apex Corporate Services (Ireland) Limited, a provider of services to the Issuer. While these roles could potentially lead to conflicts of interest, the Directors do not believe that, as at the Prospectus Date, there are any actual conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interest and/or other duties that such persons may have. The Apex Group and HANetf Limited have in place conflicts of interest policies that are designed to prevent conflicts of interest arising and mitigate the effect of conflicts of interest, should they arise.