

**CONFIDENTIAL**  
**PRIVATE PLACEMENT SUPPLEMENT**

**Shares**  
**of**  
**IDX RISK-MANAGED ETHEREUM TRUST**

**IDX Digital Assets, LLC**  
*Sponsor*

Supplement dated November 1, 2022

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## ABOUT THIS SUPPLEMENT

This document is in two parts. The first part is this Supplement, which describes the specific terms of the common units of fractional undivided beneficial interest (“**Shares**”) offered by IDX Risk-Managed Ethereum Trust (the “**Trust**”). The second part, the accompanying base memorandum, gives more general information about Shares we may offer from time to time, some of which may not apply to this Trust. You should read this Supplement and the base memorandum dated November 1, 2022 containing general information about the terms of the Trust and its private placement, referred to herein as the “**Base Memorandum**,” in its entirety to understand fully the terms of this Trust and its private placement.

This Supplement, together with the Base Memorandum, is being furnished on a confidential basis solely to selected accredited investors within the meaning of Rule 501(a) of Regulation D under the Securities Act in connection with the potential purchase of Shares which represent ownership in the Trust. This Supplement and the Base Memorandum are not to be reproduced or distributed to others without the prior written consent of the sponsor of the Trust, IDX Digital Assets, LLC (the “**Sponsor**”). Each recipient, by accepting delivery of this Supplement and the Base Memorandum, agrees to keep all information contained herein confidential (except as otherwise provided herein) and to use this Supplement and the Base Memorandum for the sole purpose of evaluating a possible investment in the Trust. Notwithstanding the foregoing, each investor (and each employee, representative or other agent of the investor) is authorized to disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Trust and any transaction entered into by the Trust and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment or tax structure that are provided to the investor relating to such tax treatment and tax structure, except for any information identifying the Trust, the Sponsor, any investor or their respective advisors, affiliates, officers, directors, members, employees and principals or (except to the extent relating to such tax structure or tax treatment) any nonpublic commercial or financial information. For this purpose, “tax structure” is limited to the facts relevant to the tax treatment of an investment in the Trust. Acceptance of this Supplement and the Base Memorandum by a recipient constitutes an agreement to be bound by the foregoing terms.

The Shares are neither interests in nor obligations of the Service Providers. The Sponsor may, pursuant to the terms of any applicable agreements, remove or replace one or more of the Service Providers at its sole discretion.

None of the Shares, the Trust’s ETH Account and the ETH transferred to the ETH Account are insured against loss by the Federal Deposit Insurance Corporation or any other federal agency of the United States.

This Supplement and the Base Memorandum contain information you should consider when making an investment decision about the Shares. The Trust and the Sponsor have not authorized any person to provide you with different information, except for certain information as may be provided by a Distributor, if any; however, if a Distributor or anyone else provides you with information that is different or inconsistent with the information set forth herein, you should not rely on it.

No representations or warranties of any kind are made or intended, and none should be inferred, with respect to the economic return or the tax consequences of an investment in the Shares. No assurance can be given that existing laws will not be changed or interpreted adversely.

Prospective investors are not to construe the contents of this Supplement and the Base Memorandum as legal, tax or investment advice. Each prospective investor should consult its own advisors concerning an investment in Shares.

In making an investment decision, investors must rely on their own examination of the Trust and the terms of the offering contemplated by this Supplement, including the merits and risks involved. The Shares have not been recommended by any U.S. federal or state, or any non-U.S. securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Supplement or the Base Memorandum. Any representation to the contrary is a criminal offense.

The Shares offered hereby have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or any state or other securities laws, and will be offered and sold only to “accredited investors” within the meaning of Rule 501(a) of Regulation D under the Securities Act, and in compliance with any applicable state or other securities laws. The Trust will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended. The Trust is not a commodity pool for purposes of the U.S. Commodity Exchange Act, as amended, and the Sponsor is not subject to regulation by the U.S. Commodity Futures Trading Commission as a commodity pool operator or commodity trading advisor.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold, except as permitted under the Securities Act and any applicable state or other securities laws, pursuant to registration or an exemption therefrom. The transferability of the Shares is further restricted by the terms and conditions of the Second Amended and Restated Declaration of Trust and Trust Agreement of the Trust, as it may be further amended from time to time (the “Trust Agreement”). A copy of the Trust Agreement is attached hereto as Exhibit A and should be read carefully by any prospective investor. There may not be a public market for the Shares, and there is currently no intention or obligation on the part of any person to register the Shares under the Securities Act or any state or other securities law.

Each investor, either alone or together with a purchaser representative, will be required to make representations that the investor: (i) has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of this investment and (ii) is able to bear the economic risks, including a total loss of an investment in the Shares.

This Supplement, together with the Base Memorandum, does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in any state of the United States or other jurisdiction where, or to or from any person to or from whom, such offer or solicitation is unlawful or not authorized.

An investment in the Shares involves significant risks. Potential investors should carefully review the information in this Supplement relating to risk factors and the risk factors included in the Base

Memorandum under “RISK FACTORS.” An investment in the Trust is suitable only for sophisticated investors and requires the financial ability and willingness to accept the high risks inherent in an investment in the Trust. No assurance can be given that the Trust’s investment objective, which is presented under “Activities of the Trust—Trust Objective,” will be achieved or that investors will receive a return of their capital. An investor may lose its entire investment.

Each prospective investor is invited to meet with representatives of the Sponsor or a Distributor, if any, as designees of the Sponsor, and to discuss with, ask questions of, and receive answers from, such representatives concerning the terms and conditions of this offering and to obtain any additional information necessary to verify the information contained herein, to the extent that such representatives possess such information or can acquire it without unreasonable effort or expense,. A prospective investor should not subscribe for Shares, unless satisfied that it and/or its representative has requested and received all information which would enable it to evaluate the merits and risks of investing in the Shares.

The market analysis, projections, targets, estimates and similar information, including all statements of opinion and/or belief contained herein, are subject to a number of assumptions and inherent uncertainties. Past performance, when available, is not necessarily indicative of future results, and there can be no assurance that targets, projections or estimates of future performance will be realized.

Except as otherwise noted, all references herein to “\$,” “U.S. dollars” or monetary amounts refer to United States dollars.

In this Supplement, unless otherwise stated or the context otherwise requires, “we,” “our” and “us” refer to the Sponsor acting on behalf of the Trust.

"Ethereum" is a trademark registered to the Ethereum Foundation.

### **Statement Regarding Forward-Looking Statements**

This Supplement contains “forward-looking statements” with respect to the Trust’s financial conditions, results of operations, plans, objectives, future performance and business. Statements preceded by, followed by or that include words such as “may,” “might,” “will,” “should,” “expect,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of these terms and other similar expressions are intended to identify some of the forward-looking statements. All statements (other than statements of historical fact) included in this Supplement that address activities, events or developments that will or may occur in the future, including such matters as changes in market prices and conditions, the Trust’s operations, the Sponsor’s plans and references to the Trust’s future success and other similar matters are forward-looking statements. These statements are only predictions. Actual events or results may differ materially from such statements. These statements are based upon certain assumptions and analyses the Sponsor made based on its perception of historical trends, current conditions and expected future developments, as well as other factors appropriate in the circumstances. You should specifically consider the numerous risks outlined under “RISK FACTORS” in the Base Memorandum. See also “Statement Regarding Forward-Looking Statements” in the Base Memorandum.

## **Industry and Market Data**

Although we are responsible for all disclosure contained in this Supplement, in some cases we have relied on certain market and industry data obtained from third-party sources that we believe to be reliable. Market estimates are calculated by using independent industry publications in conjunction with our assumptions regarding the ETH industry and market. While we are not aware of any misstatements regarding any market, industry or similar data presented herein, such data involves risks and uncertainties and is subject to change based on various factors, including those discussed under the headings “Statement Regarding Forward-Looking Statements” in this Supplement and in the Base Memorandum and “RISK FACTORS” in the Base Memorandum.

Any statement contained in this Supplement will be deemed to be modified or superseded to the extent that a statement contained in any subsequent document, modifies or supersedes that statement. Any statement that is modified or superseded in this manner will no longer be a part of this Supplement, except as modified or superseded.

If information varies between this Supplement and the accompanying Base Memorandum, you should rely on the information in this Supplement.

## **Defined Terms**

Specially capitalized terms used without definition are defined under “GLOSSARY OF DEFINED TERMS” in this Supplement, under “GLOSSARY OF DEFINED TERMS” in the Base Memorandum, or in the Trust Agreement.

## SUMMARY OF PRINCIPAL TERMS

*The following is a summary only and is qualified in its entirety by reference to the more detailed information set forth in the Trust Agreement and in the other agreements described herein. To the extent of any conflict between this summary and the Trust Agreement, the terms of the Trust Agreement will govern.*

The Trust	The Trust is a Delaware Statutory Trust that was formed on April 12, 2021 by the filing of the Certificate of Trust with the Delaware Secretary of State in accordance with the provisions of the Delaware Statutory Trust Act. The Trust operates pursuant to the Trust Agreement. See “DESCRIPTION OF THE TRUSTS” in the Base Memorandum.
Offering	The Trust is offering Shares which represent common units of fractional undivided beneficial interest in, and ownership of, the Trust to certain “accredited investors” within the meaning of Rule 501(a) of Regulation D under the Securities Act.
Restrictions on Transfer	The Shares are restricted securities under the Securities Act and state securities laws. The Shares are also subject to restrictions on transfer under the Trust Agreement. See “DESCRIPTION OF THE SHARES - Transfer Restrictions” in the Base Memorandum.
Investment Objective and Strategy	<p>The investment objective of the Trust is for the Shares (based on digital assets per Share) to reflect a dynamic allocation of ETH, as determined by reference to the IDX Risk-Managed Ethereum Index (<a href="https://www.spglobal.com/spdji/en/custom-indices/idx-insights/inx-rmanaged-ethereum-index/#overview">https://www.spglobal.com/spdji/en/custom-indices/idx-insights/inx-rmanaged-ethereum-index/#overview</a>) (the “<b><i>Index</i></b>”).</p> <p>For more information regarding the Trust’s objective and strategy, click the link above.</p> <p>The Shares are intended to provide investors a risk-managed, cost-effective and convenient way to invest in ETH, while avoiding the complication of directly holding ETH. See “ACTIVITIES OF THE TRUSTS – Trust Objective” in the Base Memorandum.</p> <p>Because the value of the Shares is correlated with the value of the ETH held by the Trust, it is important for investors to understand the investment attributes of, and the market for, ETH. See “OVERVIEW OF THE ETH INDUSTRY AND MARKET” in this Supplement for more details.</p>
Use of Proceeds	Proceeds received by the Trust from the issuance and sale of Shares will consist of cash or ETH transferred to the Trust in connection with creations. Cash from subscriptions for Shares will be used to purchase ETH. Such ETH will only be (i) owned by the Trust, (ii) transferred (or converted to

	U.S. dollars, if necessary) to pay the Trust’s expenses or in connection with redemptions and (iii) converted into U.S. dollars in the event that the Trust terminates or as otherwise required by law or regulation.
Digital Asset Reference Rate	The Trust values its ETH by reference to Digital Asset Reference Rate derived from data collected from Digital Asset Exchanges trading ETH, as selected by the Administrator. The Administrator may use any reference rate, in its sole discretion. Initially, the Administrator intends to use CME CF Ether-Dollar Reference Rate (ETHUSF_RR). The Digital Asset Reference Rate is subject to change, if the stated reference rate is unavailable. See “DETERMINATION OF DIGITAL ASSET HOLDINGS” in the Base Memorandum.
Creation and Redemption of Shares	<p>The Trust creates Shares at such times and for such periods as determined by the Sponsor, and the Trust may halt creations from time to time. The Trust currently permits redemptions of Shares. See “DESCRIPTION OF THE ISSUANCE AND REDEMPTION OF SHARES – Issuance of Shares and – Redemptions” in the Base Memorandum.</p> <p>The Shares will be held in book-entry form by the Administrator, which will credit or debit Shares to the accounts of the Shareholders. In its discretion, the Sponsor may cause the Trust to issue Shares in certificated form.</p>
ETH Holdings	The Trust’s ETH Holdings is the aggregate value, expressed in U.S. dollars, of the Trust’s assets (other than U.S. dollars and other fiat currency), less the U.S. dollar value of its liabilities and expenses. The Administrator will calculate the Trust’s ETH Holdings on a daily basis at 4 p.m. GMT, and the Sponsor will publish the Digital Asset Reference Rate, the ETH Holdings of the Trust, and the ETH Holdings per Share on a daily basis on the Trust’s website ( <a href="https://idxdigitalassets.com/risk-managed-ethereum-trust/">https://idxdigitalassets.com/risk-managed-ethereum-trust/</a> ) as soon as practicable following its determination by the Administrator. See “DETERMINATION OF DIGITAL ASSET HOLDINGS” in the Base Memorandum.
Incidental Rights and IR Virtual Currency	From time to time, the Trust may come into possession of rights incident to its ownership of ETH, which permit the Trust to acquire, or otherwise establish dominion and control over, other virtual currencies. These rights are generally expected to arise in connection with forks in the ETH Blockchain, airdrops offered to holders of ETH and other similar events and arise without any action of the Trust or of the Sponsor or Trustee on behalf of the Trust. We refer to these rights as “Incidental Rights” and any such virtual currency acquired through Incidental Rights as “IR Virtual Currency.” The Trust does not expect to take any Incidental Rights or IR Virtual Currency it may hold into account for purposes of determining the



	Trust's ETH Holdings or the ETH Holdings per Share. See "ACTIVITIES OF THE TRUSTS - Incidental Rights and IR Virtual Currency" in the Base Memorandum.
Trust Expenses	<p>The Trust's only ordinary recurring expense is expected to be the Sponsor's Fee. The Sponsor's Fee will accrue daily in U.S. dollars at an annual rate of 2.99% of the cash assets of the Trust and ETH Holdings Fee Basis Amount of the Trust as of 4:00 p.m. GMT on each day; provided that for a day that is not a business day, the calculation will be based on the ETH Holdings Fee Basis Amount from the most recent business day, reduced by the accrued and unpaid Sponsor's Fee for such most recent business day and for each day after such most recent business day and prior to the relevant calculation date. The Sponsor's Fee is payable in U.S. dollars or ETH to the Sponsor, in the Sponsor's discretion, monthly in arrears.</p> <p>As partial consideration for its receipt of the Sponsor's Fee, the Sponsor is obligated under the Trust Agreement to assume and pay all Sponsor-paid Expenses of the Trust.</p> <p>The Trust will be responsible for payment of all Additional Trust Expenses of the Trust.</p> <p>See "ACTIVITIES OF THE TRUSTS – Trust Expenses" and "EXPENSES; SALES OF DIGITAL ASSETS" in the Base Memorandum.</p>
General Prohibitions of Trust Activity	<p>The Trust will not:</p> <ul style="list-style-type: none"> <li>• Accept assets or property other than U.S. dollars and/or ETH (if permitted by the Sponsor) for subscriptions for of Shares;</li> <li>• Hold any property other than (i) ETH, Incidental Rights and, if permitted under the terms of the Trust Agreement, IR Virtual Currency, (ii) cash received as early redemption fees and from the sale of ETH, Incidental Rights or IR Virtual Currency and (iii) interests in any liquidating trust or other vehicle formed to hold Incidental Rights or IR Virtual Currency pending distribution of such interests to the Shareholders;</li> <li>• Hold any cash received as early redemption fees and from the sale of ETH, Incidental Rights or IR Virtual Currency for more than thirty (30) business days prior to using such cash to pay the Sponsor's Fee, amounts payable for Shares subject to redemption and/or Additional Trust Expenses and distributing any remaining cash to the Shareholders;</li> </ul>

	<ul style="list-style-type: none"> <li>• If redemptions are not authorized, redeem any Shares other than upon the dissolution of the Trust;</li> <li>• If redemptions are authorized, redeem the Shares other than (i) to fund a redemption request by a Shareholder or (ii) upon the dissolution of the Trust</li> <li>• Borrow money from, or loan money to, any Shareholder (including the Sponsor) or any other person;</li> <li>• Create, incur, assume or suffer to exist any lien, mortgage, pledge conditional sales or other title retention agreement, charge, security interest or encumbrance on or with respect to its assets, except for (i) liens for taxes not delinquent or being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established and (ii) liens by the Trustee against the Trust property as security for any amounts owing to the Trustee under the Trust Agreement;</li> <li>• Commingle its assets with those of any other person, other than in the ordinary course of business of the Trust;</li> <li>• Permit rebates to be received by the Sponsor or any affiliate of the Sponsor, or permit the Sponsor or any affiliate of the Sponsor to engage in any reciprocal business arrangements which would circumvent the foregoing prohibition;</li> <li>• Enter into any contract with the Sponsor or an Affiliate of the Sponsor (i) that, except for selling agreements for the sale of Shares, has a term of more than one year and that does not provide that it may be canceled by the Trust without penalty on one hundred twenty (120) days prior written notice or (ii) for the provision of services, except at rates and terms at least as favorable as those that may be obtained from third parties in arm's length negotiations;</li> <li>• Enter into any exclusive brokerage contract;</li> <li>• Elect to be treated as an association taxable as a corporation for U.S. federal income tax purposes; or</li> <li>• Take any action that could cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes.</li> </ul>
Termination Distributions	Upon dissolution of the Trust and surrender of Shares by the Shareholders, after the Sponsor has paid or made provision for the Trust's obligations, Shareholders will receive a distribution in U.S. dollars or in ETH, Incidental

	Rights and/or IR Virtual Currency, at the sole discretion of the Sponsor. See “DESCRIPTON OF THE TRUST DOCUMENTS - Termination of the Trust” in the Base Memorandum.
Secondary Market	The Sponsor may attempt to have the Shares quoted on a Secondary Market, as determined by the Sponsor.
Tax Consequences	The Sponsor intends to take the position that the Trust is properly treated as a grantor trust for U.S. federal income tax purposes. See “CERTAIN FEDERAL INCOME TAX CONSEQUENCES” in the Base Memorandum.
ERISA	The Sponsor intends to restrict the aggregate investment by “benefit plan investors” in the Trust to under 25% of the total value of the Trust so that the assets of the Trust will not be deemed to be “plan assets” for purposes of the Employee Retirement Income Security Act of 1974, as amended or Section 4975 of the Code. See “ERISA AND RELATED CONSIDERATIONS” in the Base Memorandum.
Fiscal Year-End	The fiscal year of the Trust ends on June 30 of each year.

## SUMMARY OF RISK FACTORS

*Investing in Shares of the Trust involves significant risks. Before you make a decision to buy any of the Shares, in addition to the other information included in this Supplement, you should carefully consider the risks and uncertainties described herein and under “RISK FACTORS” in the Base Memorandum, which include, among other things, the following risks:*

- Digital assets were only introduced within the past two decades, and the medium-to-long term value of an investment in the Shares is subject to a number of factors relating to the capabilities and development of blockchain technologies and to the fundamental investment characteristics of ETH.
- The value of the Shares relates directly to the value of ETH held by the Trust, which may be highly volatile and subject to fluctuations due to a number of factors.
- The Sponsor relies on the Index, which could contain flawed models and data, to make its management decisions.
- The Digital Asset Reference Rate for the Trust has a limited history and may be volatile, and a failure of the Digital Asset Reference Rate could adversely affect an investment in the Trust.
- The Trust may be subject to counterparty risk in certain circumstances.
- The Trust and the Sponsor have a limited operating history.
- The Trust may not be able to achieve its investment objective.
- The performance of the Trust may be adversely affected by economic conditions in the ETH industry and market, general economic, market and business conditions, and global or regional political, economic or financial conditions, events, and situations.
- Changes in laws or regulations, including securities, commodities and tax laws, could adversely affect the value of the Shares.

## OVERVIEW OF THE ETH INDUSTRY AND MARKET

### Introduction to ETH Industry and Market

Ether or ETH is a digital asset that is created and transmitted through the operations of the peer-to-peer Ethereum Network, a decentralized network of computers that operates on cryptographic protocols. No single entity owns or operates the Ethereum Network, the infrastructure of which is collectively maintained by a decentralized user base. The Ethereum Network allows people to exchange tokens of value, called Ether, which are recorded on a public transaction ledger known as a blockchain. ETH can be used to pay for goods and services, including computational power on the Ethereum Network, or it can be converted to fiat currencies, such as the U.S. dollar, at rates determined on Digital Asset Exchanges or in individual end-user-to-end-user transactions under a barter system. Furthermore, the Ethereum Network also allows users to write and implement smart contracts—that is, general-purpose code that executes on every computer in the network and can instruct the transmission of information and value based on a sophisticated set of logical conditions. Using smart contracts, users can create markets, store registries of debts or promises, represent the ownership of property, move funds in accordance with conditional instructions and create digital assets other than ETH on the Ethereum Network.

Smart contract operations are executed on the Ethereum Blockchain in exchange for payment of ETH. The Ethereum Network is one of a number of projects intended to expand blockchain use beyond just a peer-to-peer money system.

The Ethereum Network was originally described in a 2013 white paper by Vitalik Buterin, a programmer involved with Bitcoin, with the goal of creating a global platform for decentralized applications powered by smart contracts. The formal development of the Ethereum Network began through a Swiss firm called Ethereum Switzerland GmbH in conjunction with several other entities. Subsequently, the Ethereum Foundation, a Swiss non-profit organization, was set up to oversee the protocol's development. The Ethereum Network went live on July 30, 2015. Unlike other digital assets, such as Bitcoin, which are solely created through a progressive mining process, 72.0 million ETH were created in connection with the launch of the Ethereum Network. For additional information on the initial distribution, see “—Creation of New ETH.” Coinciding with the network launch, it was decided that EthSuisse would be dissolved, designating the Ethereum Foundation as the sole organization dedicated to protocol development.

The Ethereum Network is decentralized and does not require governmental authorities or financial institution intermediaries to create, transmit or determine the value of ETH. Rather, following the initial distribution of ETH, ETH was created and allocated by the Ethereum Network protocol through a “mining” process that it currently subject to an issuance cap of 18.0 million ETH per year or 2.0 ETH per block, but there is no aggregate cap on the total number of ETH outstanding. The value of ETH is determined by the supply of and demand for ETH on the Digital Asset Exchanges or in private end-user-to-end-user transactions.

New ETH are created and rewarded to the miners (or “validators” under proof-of-stake) of a block in the Ethereum Blockchain for verifying transactions. The Ethereum Blockchain is effectively a decentralized database that includes all blocks that have been mined by miners and it is updated to include new blocks as they are mined. Each ETH transaction is broadcast to the

Ethereum Network and, when included in a block, recorded in the Ethereum Blockchain. As each new block records outstanding ETH transactions, and outstanding transactions are settled and validated through such recording, the Ethereum Blockchain represents a complete, transparent and unbroken history of all transactions of the Ethereum Network. For further details, see “—Creation of New ETH.”

Among other things, ETH is used to pay for transaction fees and computational services (*i.e.*, smart contracts) on the Ethereum Network; users of the Ethereum Network pay for the computational power of the machines executing the requested operations with ETH. Requiring payment in ETH on the Ethereum Network incentivizes developers to write quality applications and increases the efficiency of the Ethereum Network because wasteful code costs more. It also ensures that the Ethereum Network remains economically viable by compensating people for their contributed computational resources.

### ***Smart Contracts and Development on the Ethereum Network***

Smart contracts are programs that run on a blockchain that can execute automatically when certain conditions are met. Smart contracts facilitate the exchange of anything representative of value, such as money, information, property, or voting rights. Using smart contracts, users can send or receive digital assets, create markets, store registries of debts or promises, represent ownership of property or a company, move funds in accordance with conditional instructions and create new digital assets.

Development on the Ethereum Network involves building more complex tools on top of smart contracts, such as decentralized apps (DApps) and organizations that are autonomous, known as decentralized autonomous organizations (DAOs). For example, a company that distributes charitable donations on behalf of users could hold donated funds in smart contracts that are paid to charities only if the charity satisfies certain pre-defined conditions.

Moreover, the Ethereum Network has also been used as a platform for creating new digital assets and conducting their associated initial coin offerings. As of October 1, 2022, a majority of digital assets were built on the Ethereum Network, with such assets representing a significant amount of the total market value of all digital assets.

More recently, the Ethereum Network has been used for decentralized finance (DeFi) or open finance platforms, which seek to democratize access to financial services, such as borrowing, lending, custody, trading, derivatives and insurance, by removing third-party intermediaries. DeFi can allow users to lend and earn interest on their digital assets, exchange one digital asset for another and create derivative digital assets such as stablecoins, which are digital assets pegged to a reserve asset such as fiat currency.

### ***The DAO and Ethereum Classic***

In July 2016, the Ethereum Network experienced what is referred to as a permanent hard fork that resulted in two different versions of its blockchain: Ethereum and Ethereum Classic.

In April 2016, a blockchain solutions company known as Slock.it announced the launch of a decentralized autonomous organization, known as “The DAO” on the Ethereum Network. The

DAO was designed as a decentralized crowdfunding model, in which anyone could contribute ETH tokens to The DAO in order to become a voting member and equity stakeholder in the organization.

Members of The DAO could then make proposals about different projects to pursue and put them to a vote. By committing to profitable projects, members would be rewarded based on the terms of a smart contract and their proportional interest in The DAO. As of May 27, 2016, \$150 million, or approximately 14% of all ETH outstanding, was contributed to, and invested in, The DAO.

On June 17, 2016, an anonymous hacker exploited The DAO smart contract code to syphon approximately \$60 million, or 3.6 million ETH, into a segregated account. Upon the news of the breach, the price of ETH was quickly cut in half as investors liquidated their holdings and members of the Ethereum community worked to determine a solution.

In the days that followed, several attempts were made to retrieve the stolen funds and secure the Ethereum Network. However, it soon became apparent that direct interference with the protocol (*i.e.*, a hard fork) would be necessary. The argument for the hard fork was that it would create an entirely new version of the Ethereum Blockchain, erasing any record of the theft, and restoring the stolen funds to their original owners. The counterargument was that it would be antithetical to the core principle of immutability of the Ethereum Blockchain.

The decision over whether or not to hard fork the Ethereum Blockchain was put to a vote of Ethereum community members. A majority of votes were cast in favor of a hard fork. On July 15, 2016, a hard fork specification was implemented by the Ethereum Foundation. On July 20, 2016, the Ethereum Network completed the hard fork, and a new version of the blockchain, without recognition of the theft, was born.

Many believed that after the hard fork the original version of the Ethereum Blockchain would dissipate entirely. However, a group of miners continued to mine the original Ethereum Blockchain for philosophical and economic reasons. On July 20, 2016, the original Ethereum protocol was rebranded as Ethereum Classic, and its native token as ether classic (“ETC”), preserving the untampered transaction history (including The DAO theft). Following the hard fork of Ethereum, each holder of ETH automatically received an equivalent number of ETC tokens.

### ***Overview of the Ethereum Network’s Operations***

In order to own, transfer or use ETH directly on the Ethereum Network (as opposed to through an intermediary, such as a custodian), a person generally must have internet access to connect to the Ethereum Network. ETH transactions may be made directly between end-users without the need for a third-party intermediary. To prevent the possibility of double-spending ETH, a user must notify the Ethereum Network of the transaction by broadcasting the transaction data to its network peers. The Ethereum Network provides confirmation against double-spending by memorializing every transaction in the Ethereum Blockchain, which is publicly accessible and transparent. This memorialization and verification against double-spending is accomplished through the Ethereum Network mining process, which adds “blocks” of data, including recent transaction information, to the Ethereum Blockchain.

### ***Summary of an ETH Transaction***

Prior to engaging in ETH transactions directly on the Ethereum Network, a user generally must first install on its computer or mobile device an Ethereum Network software program that will allow the user to generate a private and public key pair associated with an ETH address, commonly referred to as a “wallet.” The Ethereum Network software program and the ETH address also enable the user to connect to the Ethereum Network and transfer ETH to, and receive ETH from, other users.

Each Ethereum Network address, or wallet, is associated with a unique “public key” and “private key” pair. To receive ETH, the ETH recipient must provide its public key to the party initiating the transfer. This activity is analogous to a recipient for a transaction in U.S. dollars providing a routing address in wire instructions to the payor so that cash may be wired to the recipient’s account. The payor approves the transfer to the address provided by the recipient by “signing” a transaction that consists of the recipient’s public key with the private key of the address from where the payor is transferring the ETH. The recipient, however, does not make public or provide to the sender its related private key.

Neither the recipient nor the sender reveal their private keys in a transaction, because the private key authorizes transfer of the funds in that address to other users. Therefore, if a user loses his private key, the user may permanently lose access to the ETH contained in the associated address. Likewise, ETH is irretrievably lost if the private key associated with them is deleted and no backup has been made. When sending ETH, a user’s Ethereum Network software program must validate the transaction with the associated private key. In addition, since every computation on the Ethereum Network requires processing power, there is a transaction fee involved with the transfer that is paid by the payor. The resulting digitally validated transaction is sent by the user’s Ethereum Network software program to the Ethereum Network miners to allow transaction confirmation.

### ***Achieving Consensus***

All public cryptographic blockchains require a distributed consensus mechanism to verify transactions and prevent against the “double spend” problem. The two most popular consensus mechanisms are proof-of-work (or PoW) and proof-of-stake (or PoS). PoS is a category of consensus algorithms for public blockchains that depend on a validator’s economic stake in the network. In PoW-based public blockchains (*e.g.*, Bitcoin and the original implementation of Ethereum), the algorithm rewards participants who solve cryptographic puzzles in order to validate transactions and create new blocks (*i.e.*, mining). In PoS-based public blockchains, a set of validators take turns proposing and voting on the next block, and the weight of each validator’s vote depends on the size of its deposit (*i.e.*, stake). Advantages of PoS include security, reduced risk of centralization, and energy efficiency.

In general, a PoS algorithm keeps track of a set of validators, and anyone who holds the blockchain’s base cryptocurrency (in Ethereum’s case, ETH) can become a validator by sending a special type of transaction that locks up their ETH into a deposit (*i.e.* “staking”). This staked ETH then acts as collateral that can be destroyed, if the validator behaves dishonestly or lazily. The validator is then responsible for checking that new blocks propagated over the network are valid and occasionally creating and propagating new blocks themselves. The process of creating and



agreeing to new blocks is then done through a consensus algorithm in which all current validators can and are expected to participate. To participate as a validator, a user must deposit 32 ETH into the deposit contract and run three separate pieces of software: an execution client, a consensus client, and a validator. On depositing their ETH, the user joins an activation queue that limits the rate of new validators joining the network. Once activated, validators receive new blocks from peers on the Ethereum network. The transactions delivered in the block are re-executed, and the block signature is checked to ensure the block is valid. The validator then sends a vote (called an attestation) in favor of that block across the network.

Whereas under PoW the timing of blocks is determined by the mining difficulty, in PoS, the tempo is fixed. Time in PoS Ethereum is divided into slots (12 seconds) and epochs (32 slots). One validator is randomly selected to be a block proposer in every slot. This validator is responsible for creating a new block and sending it out to other nodes on the network. Also in every slot, a committee of validators is randomly chosen, whose votes are used to determine the validity of the block being proposed.

## ***Creation of New ETH***

### ***Initial Creation of ETH***

Unlike other digital assets such as Bitcoin, which are solely created through a progressive mining process, 72.0 million ETH were created in connection with the launch of the Ethereum Network. The initial 72.0 million ETH were distributed as follows:

Initial Distribution: 60.0 million ETH, or 83.33% of the supply, was sold to the public in a crowd sale conducted between July and August 2014 that raised approximately \$18 million.

Ethereum Foundation: 6.0 million ETH, or 8.33% of the supply, was distributed to the Ethereum Foundation for operational costs.

Ethereum Developers: 3.0 million ETH, or 4.17% of the supply, was distributed to developers who contributed to the Ethereum Network.

Developer Purchase Program: 3.0 million ETH, or 4.17% of the supply, was distributed to members of the Ethereum Foundation to purchase at the initial crowd sale price.

Following the launch of the Ethereum Network, ETH supply increased through a progressive mining process. Effective September 15, 2022, the Ethereum Network switched from a proof-of-work mining process to a proof-of stake mining process.

### ***Proof-of-Stake Mechanism***

Unlike proof-of-work, in which miners expend computational resources to compete to validate transactions and are rewarded coins in proportion to the amount of computational resources expended, in proof-of-stake, validators risk or “stake” coins to compete to be randomly selected to validate transactions and are rewarded coins in proportion to the amount of coins staked. Proof-of-stake uses randomly selected validators to confirm transactions and create new blocks. Proof-of-work uses a competitive validation method to confirm transactions and add new blocks to the blockchain. Validators are selected randomly to confirm transactions and validate block

information. To become a validator, a coin owner must "stake" a specific amount of coins. For instance, Ethereum requires 32 ETH to be staked before a user can become a validator.

Any malicious activity, such as mining multiple blocks, disagreeing with the eventual consensus or otherwise violating protocol rules, results in the forfeiture or “slashing” of a portion of the staked coins. Proof-of-Stake is viewed as more energy efficient and scalable than proof-of-work and is sometimes referred to as “virtual mining”.

### ***Limits on ETH Supply***

The rate at which new ETH are mined and put into circulation is expected to vary. ETH issuances are currently capped at 18.0 million ETH per year or 2.0 ETH per block, but there is no aggregate cap on the total number of ETH outstanding.

As of October 1, 2022, approximately 20 million ETH were outstanding.

### ***Modifications to the ETH Protocol***

The Ethereum Network is an open source project with no official developer or group of developers that controls it. However, historically the Ethereum Network’s development has been overseen by the Ethereum Foundation and other core developers. The Ethereum Foundation and core developers are able to access and alter the Ethereum Network source code and, as a result, they are responsible for quasi-official releases of updates and other changes to the Ethereum Network’s source code.

For example, in 2019 the Ethereum Network completed a network upgrade called Metropolis that was designed to enhance the usability of the Ethereum Network and was introduced in two stages. The first stage, called Byzantium, was implemented in October 2017. The purpose of Byzantium was to increase the network’s privacy, security, and scalability and reduce the block reward from 5.0 ETH to 3.0 ETH. The second stage, called Constantinople, was implemented in February 2019, along with another upgrade, called St. Petersburg. The purpose of these upgrades was to prepare the Ethereum Network for the introduction of a proof-of-stake algorithm and reduce the block reward from 3.0 ETH to 2.0 ETH. The purpose of Istanbul was to make the network more denial of service-resistant, enable greater ETH and Zcash interoperability as well as other Equihash-based proof-of-work digital assets, and to increase the scalability and performance for solutions on zero-knowledge privacy technology like SNARKs and STARKs. Another recent network upgrade, called Istanbul, was implemented in December 2019. The release of updates to the Ethereum Network’s source code does not guarantee that the updates will be automatically adopted. Users and miners must accept any changes made to the Ethereum source code by downloading the proposed modification of the Ethereum Network’s source code. A modification of the Ethereum Network’s source code is only effective with respect to the Ethereum users and miners that download it. If a modification is accepted only by a percentage of users and miners, a division in the Ethereum Network will occur such that one network will run the pre-modification source code and the other network will run the modified source code. Such a division is known as a “fork.” Consequently, as a practical matter, a modification to the source code becomes part of the Ethereum Network only if accepted by participants collectively having a majority of the processing power on the Ethereum Network.

Core development of the Ethereum source code has increasingly focused on modifications of the Ethereum protocol to increase speed and scalability and also allow for financial and non-financial next generation uses. The Trust’s activities will not directly relate to such projects, though such projects may utilize ETH as tokens for the facilitation of their non-financial uses, thereby potentially increasing demand for ETH and the utility of the Ethereum Network as a whole. Conversely, projects that operate and are built within the Ethereum Blockchain may increase the data flow on the Ethereum Network and could either “bloat” the size of the Ethereum Blockchain or slow confirmation times.

Effective September 15, 2022, the Ethereum Network switched its consensus mechanism to proof-of-stake.

## ***ETH Value***

### *Digital Asset Exchange Valuation*

The value of ETH is determined by the value that various market participants place on ETH through their transactions. The most common means of determining the value of an ETH is by surveying one or more Digital Asset Exchanges where ETH is traded publicly and transparently. Additionally, there are over-the-counter dealers or market makers that transact in ETH.

### *Digital Asset Exchange Public Market Data*

On each online Digital Asset Exchange, ETH is traded with publicly disclosed valuations for each executed trade, measured by one or more fiat currencies such as the U.S. dollar or euro (or equivalent Stablecoins) or by the widely used cryptocurrency Bitcoin. Over-the-counter dealers or market makers do not typically disclose their trade data.

Currently, there are several Digital Asset Exchanges operating worldwide and online Digital Asset Exchanges represent a substantial percentage of ETH buying and selling activity and provide the most data with respect to prevailing valuations of ETH. These exchanges include established exchanges which provide a number of options for buying and selling ETH. The following table reflects the trading volume in ETH of the top 10 exchanges (as provided by coinmarketcap.com) which represent approximately 25% of the total volume of ETH transactions as of October 20, 2022.

#	Exchange	Pairs	Volume	Volume %
1	Binance	ETH/USDT	\$533,991,467	6.13%
2	Binance	ETH/BUSD	\$376,362,490	4.32%
3	KuCoin	ETH/USDT	\$369,662,306	4.25%
4	Coinbase Exchange	ETH/USD	\$369,615,886	4.25%
5	FTX	ETH/USD	\$288,687,280	3.32%
6	Binance	ETH/BTC	\$85,688,005	0.98%
7	Binance	ETH/EUR	\$51,891,370	0.60%
8	KuCoin	ETH/BTC	\$46,499,390	0.53%
9	FTX US	ETH/USD	\$45,510,400	0.52%
10	Huobi Global	ETH/USDT	\$42,191,898	0.48%

**Total** **\$2,210,100,492** **25.38%**

*Source: IDX Insights, LLC; Coinmarketcap.com*

- (1) The Volume for each market pair is calculated by taking the 24h volume reported directly from the exchange in quote units, and converting it to U.S. dollars using CoinMarketCap's existing reference prices. This information is only presented for spot transactions for centralized exchanges and does not include futures exposure or transactions taking place on decentralized exchanges ("Dex's").

The domicile, regulation and legal compliance of the Digital Asset Exchanges included in the table varies. Information regarding each Digital Asset Exchange may be found, where available, on the websites for such Digital Asset Exchanges, among other places.

### ***Forms of Attack Against the Ethereum Network***

All networked systems are vulnerable to various kinds of attacks. As with any computer network, the Ethereum Network contains certain flaws. For example, the Ethereum Network is currently vulnerable to a "51% attack" where, if a mining pool were to gain control of more than 50% of the hash rate for a digital asset, a malicious actor would be able to gain full control of the network and the ability to manipulate the Ethereum Blockchain. As of the date of this Supplement, the top two largest mining pools controlled over 50% of the hash rate of the Ethereum Network.

In addition, many digital asset networks have been subjected to a number of denial of service attacks, which has led to temporary delays in block creation and in the transfer of digital assets. Any similar attacks on the Ethereum Network that impact the ability to transfer ETH could have a material adverse effect on the price of ETH and the value of the Shares.

## ***Market Participants***

### *Validators*

Validators range from ETH enthusiasts to professional mining operations that design and build dedicated machines and data centers, including mining pools, which are groups of miners that act cohesively and combine their processing power to stake coins. When a pool mines a new block, the pool operator receives the ETH and, after taking a nominal fee, splits the resulting reward among the pool participants based on the processing power each of them contributed to mine such block. Mining pools provide participants with access to smaller, but steadier and more frequent, ETH payouts. See “—Creation of New ETH” above.

### *51% Attack*

The threat of a 51% attack still exists on proof-of-stake as it does on proof-of-work, but it is more difficult for the attackers. An attacker would need 51% of the staked ETH upon which they could then use their own attestations to ensure their preferred fork was the one with the most accumulated attestations. The 'weight' of accumulated attestations is what consensus clients use to determine the correct chain, so this attacker would be able to make their fork the canonical one. However, a strength of proof-of-stake over proof-of-work is that the community has flexibility in mounting a counter-attack. For example, the honest validators could decide to keep building on the minority chain and ignore the attacker's fork while encouraging apps, exchanges, and pools to do the same. They could also decide to forcibly remove the attacker from the network and destroy their staked ETH. These are strong economic defenses against a 51% attack.

51% attacks are just one flavor of malicious activity. Bad actors could attempt long-range attacks, short range 'reorgs', bouncing and balancing attacks or avalanche attacks. While these are expected to be extremely difficult to implement in reality they are a potential risk.

### *Investment and Speculative Sector*

This sector includes the investment and trading activities of both private and professional investors and speculators. Historically, larger financial services institutions are publicly reported to have limited involvement in investment and trading in digital assets, although the participation landscape is beginning to change. Currently, there is relatively limited use of digital assets in the retail and commercial marketplace in comparison to relatively extensive use by speculators, and a significant portion of demand for digital assets is generated by speculators and investors seeking to profit from the short- or long-term holding of digital assets.

### *Retail Sector*

The retail sector includes users transacting in direct peer-to-peer ETH transactions through the direct sending of ETH over the Ethereum Network. The retail sector also includes transactions in which consumers pay for goods or services from commercial or service businesses through direct transactions or third-party service providers, although the use of ETH as a means of payment is still developing and has not been accepted in the same manner as Bitcoin due to ETH's relative nascency and because ETH has a slightly different purpose than Bitcoin.

### *Service Sector*

This sector includes companies that provide a variety of services including the buying, selling, payment processing and storing of ETH. Bitstamp, Coinbase Pro, Kraken, and LMAX Digital are some of the largest Digital Asset Exchanges by volume traded. Coinbase Custody Trust Company, LLC, the Custodian for the Trust, is a digital asset custodian that provides custodial accounts that store ETH for users. As the Ethereum Network continues to grow in acceptance, it is anticipated that service providers will expand the currently available range of services and that additional parties will enter the service sector for the Ethereum Network.

### ***Competition***

More than 9,000 other digital assets, as tracked by CoinMarketCap.com, have been developed since the inception of Bitcoin, currently the most developed digital asset because of the length of time it has been in existence, the investment in the infrastructure that supports it, and the network of individuals and entities that are using Bitcoin in transactions. While ETH has enjoyed some success in its limited history, the aggregate value of outstanding ETH is smaller than that of Bitcoin and may be eclipsed by the more rapid development of other digital assets. In addition, while ETH was the first digital asset with a network that served as a smart contracts platform, a number of newer digital assets also function as smart contracts platforms, including Solana and Avalandche. Some industry groups are also creating private, permissioned blockchains. For example, J.P. Morgan and others are developing an open source platform called Quorum, which is described as a version of Ethereum designed for use by the financial services industry.

## **GLOSSARY OF DEFINED TERMS**

Capitalized terms used in this Supplement or the Base Memorandum, but not defined below, herein have the meanings given to them in the Trust Agreement, a copy of which is attached hereto as Exhibit A. Each of the following terms has the meaning assigned to it below:

“ETH”, “Ether” or “Ethereum” — Ethereum tokens, which are a type of digital asset based on an open source cryptographic protocol existing on the Ethereum Network, comprising units that constitute the assets underlying the Shares.

“ETH Account” — An account holding the Trust’s ETH.

“Ethereum Blockchain” or “Blockchain” — The public transaction ledger of the Ethereum Network on which transactions in ETH are recorded.

“ETH Holdings” — The aggregate value, expressed in U.S. dollars, of the Trust’s assets (other than U.S. dollars or other fiat currency), less its liabilities (which include estimated accrued but unpaid fees and expenses), calculated in the manner set forth under “DETERMINATION OF DIGITAL ASSET HOLDINGS” in the Base Memorandum. See also “Key Operating Metrics” in the Base Memorandum for a description of the Trust’s NAV, as calculated in accordance with GAAP. Each reference to Digital Asset Holdings in the Base Memorandum means the ETH Holdings for purposes of this Supplement.

“ETH Holdings Fee Basis Amount” — The amount on which the Sponsor’s Fee is based, as calculated in the manner set forth under “DETERMINATION OF DIGITAL ASSET HOLDINGS” in the Base Memorandum. Each reference to Digital Asset Holdings Fee Basis Amount in the Base Memorandum means the ETH Holdings Fee Basis Amount for purposes of this Supplement.

“Ethereum Network” — The online, end-user-to-end-user network hosting the public transaction ledger, known as the Ethereum Blockchain, and the source code comprising the basis for the cryptographic and algorithmic protocols governing the Ethereum Network.

“Incidental Rights” — Rights to acquire, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust’s ownership of ETH and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust.

“IR Virtual Currency” — Any virtual currency tokens, or other asset or right, acquired by the Trust through the exercise (subject to the applicable provisions of the Trust Agreement) of any Incidental Right.

“Shareholder” — Any person that owns Shares of the Trust.

“Shares” — Common units of fractional undivided beneficial interest in, and ownership of, the Trust. “

“Trust Agreement” — The Amended and Restated Declaration of Trust and Trust Agreement between the Trustee and the Sponsor establishing and governing the operations of the Trust, as it may be further amended from time to time. Each reference to a Trust Agreement in the Base Memorandum means the Trust Agreement for the Trust for purposes of this Supplement.



**EXHIBIT A**

**TRUST AGREEMENT**

**EXECUTION VERSION**

**IDX RISK-MANAGED ETHEREUM TRUST**  
**SECOND AMENDED AND RESTATED**  
**DECLARATION OF TRUST AND TRUST AGREEMENT**

**Dated as of November 1, 2022**

**By and Among**  
**IDX DIGITAL ASSETS, LLC,**  
**DELAWARE TRUST COMPANY**  
**and**  
**THE SHAREHOLDERS**

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EXHIBIT A CERTIFICATE OF TRUST

## **IDX RISK-MANAGED ETHEREUM TRUST**

### **SECOND AMENDED AND RESTATED DECLARATION OF TRUST AND TRUST AGREEMENT**

This **SECOND AMENDED AND RESTATED DECLARATION OF TRUST AND TRUST AGREEMENT** of **IDX RISK-MANAGED ETHEREUM TRUST** is made and entered into as of November 1, 2022, by and among **IDX DIGITAL ASSETS, LLC**, a Delaware limited liability company, as sponsor, **DELAWARE TRUST COMPANY**, a Delaware corporation, as trustee, and the **SHAREHOLDERS** from time to time hereunder.

\* \* \*

### **RECITALS**

**WHEREAS**, the Sponsor and the Trustee entered into the Declaration of Trust and Trust Agreement dated as of April 12, 2021 (the **“Initial Agreement”**);

**WHEREAS**, the Sponsor and the Trustee entered into the Amended and Restated Declaration of Trust and Trust Agreement dated as of May 28, 2021 (the **“Existing Agreement”**), which amended and restated the Initial Agreement in its entirety; [and]

**WHEREAS**, the Sponsor and the Trustee wish to amend the Existing Agreement pursuant to Section 10.1 thereof. [;and]

**WHEREAS**, the Shareholders of the Trust have approved this Second Amended and Restated Declaration of Trust and Trust Agreement pursuant to Section 10.1 of the Existing Agreement;

**NOW, THEREFORE**, pursuant to Section 10.1 of the Existing Agreement, the Trustee and the Sponsor hereby amend and restate the Existing Agreement in its entirety as set forth below.

### **ARTICLE I. DEFINITIONS; THE TRUST**

#### **SECTION 1.1 *Definitions.***

As used in this Trust Agreement, the following terms shall have the following meanings unless the context otherwise requires:

**“Actual Exchange Rate”** means, with respect to any particular asset, at any time, the price per single unit of such asset (determined net of any associated fees) at which the Trust is able to sell such asset for U.S. Dollars (or other applicable fiat currency) at such time to enable the Trust to timely pay the Sponsor’s Fee, amounts payable by the Trust for shares subject to redemption, and/or any Additional Trust Expenses, through use of the Sponsor’s commercially reasonable efforts to obtain the highest such price.

**“Additional Trust Expenses”** has the meaning set forth in Section 6.8(b).

**“Administrator”** means Gryphon Fund Group, LLC or any other Person from time to time engaged by the Sponsor to assist in the administration of the Shares.

**“Administrator Fee”** means the fee payable to the Administrator for services it provides to the Trust, which the Sponsor shall pay the Administrator as a Sponsor-paid Expense.

**“Affiliate”** means (i) any Person directly or indirectly owning, controlling or holding with power to vote 10% or more of the outstanding voting securities of such Person, (ii) any Person 10% or more of whose outstanding voting securities are directly or indirectly owned, controlled or held with power to vote by such Person, (iii) any Person, directly or indirectly, controlling, controlled by or under common control of such Person, (iv) any employee, officer, director, member, manager or partner of such Person, or (v) if such Person is an employee, officer, director, member, manager or partner, any Person for which such Person acts in any such capacity.

**“Annual Report”** means (i) the Trust’s most recent annual report prepared and publicly disseminated pursuant to the standards of any Secondary Market on which the Shares are then listed, quoted or traded or (ii) if the Shares are then registered under the Exchange Act, the Trust’s most recent annual report on Form 10-K prepared and filed in accordance with the rules and regulations of the SEC.

**“Business Day”** means any day other than a Saturday, Sunday or other day on which banks are permitted or required to close for business in New York, New York.

**“Certificate of Trust”** means the Certificate of Trust of the Trust, including all amendments thereto, in the form attached hereto as Exhibit A, filed with the Secretary of State of the State of Delaware pursuant to Section 3810 of the Delaware Trust Statute.

**“CFTC”** means the Commodity Futures Trading Commission.

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Corporate Trust Office”** means the principal office at which at any particular time the corporate trust business of the Trustee is administered, which office at the date hereof is located at 251 Little Falls Drive, Wilmington, DE 19808.

**“Covered Person”** means the Sponsor and its Affiliates and their respective members, managers, directors, officers, employees, agents and controlling persons.

**“Delaware Trust Statute”** means the Delaware Statutory Trust Act, Chapter 38 of Title 12 of the Delaware Code, 12 Del. C. § 3801 et seq., as the same may be amended from time-to-time.

**“Distributor”** means any Person from time to time engaged to provide distribution services or related services to the Trust pursuant to authority delegated by the Sponsor.

**“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.

**“ETH”** means Ethereum, a type of virtual currency based on an open source cryptographic protocol existing on the Ethereum Network as determined by the Sponsor in accordance with Section 6.2(m).

**“ETH Account”** means an account holding the Trust’s ETH, which, in the discretion of the Sponsor, could be an on-blockchain hot or cold wallet or a collection of accounts or sub-accounts maintained by one or more Security Vendors that represent or relate to on-blockchain ETH accounts that hold the Trust’s ETH.

**“ETH Holdings”** means, at any time, the aggregate value, expressed in U.S. Dollars, of the Trust’s assets (other than U.S. Dollars or other fiat currency), less its liabilities (which include estimated accrued but unpaid fees and expenses), calculated in accordance with Section 8.4.

**“ETH Holdings Fee Basis Amount”** has the meaning assigned thereto in Section 8.4.

**“ETH Reference Rate”** has the meaning ascribed to such term in the Memorandum.

**“Ethereum Network”** means the online, end-user-to-end-user network hosting the global transaction ledger, known as a blockchain, and the source code comprising the basis for the cryptographic and algorithmic protocols governing the Ethereum network.

**“Event of Withdrawal”** has the meaning set forth in Section 12.1(a)(iv) hereof.

**“Exchange Act”** means the Securities Exchange Act of 1934, as amended.

**“Expenses”** has the meaning set forth in Section 2.4.

**“FinCEN”** means the Financial Crimes Enforcement Network, a bureau of the U.S. Department of Treasury.

**“Fiscal Year”** has the meaning set forth in Article IX hereof.

**“FOIA”** means the Freedom of Information Act.

**“Full Redemption”** has the meaning set forth in Section 5.1(d).

**“GAAP”** means U.S. generally accepted accounting principles.

**“GMT”** means Greenwich Mean Time.

**“Incidental Rights”** means the rights to acquire, or otherwise establish dominion and control over, any virtual currency or other asset or right, which rights are incident to the Trust’s ownership of ETH and arise without any action of the Trust, or of the Sponsor or Trustee on behalf of the Trust.

**“Indemnified Persons”** has the meaning assigned to such term in Section 2.4.

**“IR Virtual Currency”** means any virtual currency or other asset or right acquired by the Trust through the exercise (subject to Section 1.5(b) and Section 6.4(m)) of any Incidental Right.



**“IRS”** means the U.S. Internal Revenue Service or any successor thereto.

**“Liquidating Trustee”** has the meaning assigned thereto in Section 12.2.

**“Lock-Up Period”** has the meaning set forth in Section 5.1(b).

**“Memorandum”** means (i) the Confidential Private Placement Memorandum of the Trust, as the same may, at any time and from time to time, be amended or supplemented, or (ii) if the Shares are registered under the Exchange Act, the most recent of (x) any prospectus of the Trust that has been filed with the SEC as a part of the Registration Statement and (y) any report filed by the Trust with the SEC under the Exchange Act that states that it is to be treated as the Memorandum for general purposes or any specific purpose.

**“Percentage Interest”** means, with respect to any Shareholder at any time, a fraction, the numerator of which is the number of Shares held by such Shareholder and the denominator of which is the total number of Shares outstanding, in each case as of 4:00 p.m., New York time, on the date of determination.

**“Person”** means any natural person, partnership, limited liability company, statutory trust, corporation, association or other legal entity.

**“Public Access Law”** has the meaning assigned thereto in Section 13.7(b).

**“Quarterly Report”** means (i) the Trust’s most recent quarterly report prepared and publicly disseminated pursuant to the standards of any Secondary Market on which the Shares are then listed, quoted or traded or (ii) if the Shares are then registered under the Exchange Act, the Trust’s most recent quarterly report on Form 10-Q prepared and filed in accordance with the rules and regulations of the SEC.

**“Redemption Cutoff Date”** shall mean the date that is six (6) Business Days prior to the date on which a market maker for the Shares determines the opening quotation price or similar trading price of the Shares on a Secondary Market or such other date determined in the Sponsor’s reasonable discretion to be necessary in order to comply with Regulation M under the Exchange Act.

**“Redemption Date”** shall mean the last Business Day of each calendar quarter.

**“Redemption Price”** has the meaning set forth in Section 5.2.

**“Registration Statement”** means the most recent registration statement of the Trust, as filed with and declared effective by the SEC, as the same may at any time and from time to time be amended or supplemented.

**“Rules”** has the meaning assigned thereto in Section 13.3.

**“SEC”** means the Securities and Exchange Commission.

**“Secondary Market”** means any marketplace or other alternative trading system, as determined by the Sponsor, on which the Shares may then be listed, quoted or traded, including but not limited to, the OTCQX tier of the OTC Markets Group Inc. and NYSE Arca, Inc.

**“Securities Act”** means the Securities Act of 1933, as amended.

**“Security Vendor”** or **“Security Vendors”** means Coinbase Custody Trust Company, LLC and any other Person or Persons from time to time engaged to provide security or custodian services or related services to the Trust pursuant to authority delegated by the Sponsor.

**“Security Vendors Fee”** means the fee payable to the Security Vendors for the services they provide to the Trust, which the Sponsor shall pay to the Security Vendors as a Sponsor-paid Expense.

**“Shareholder”** means any Person that owns Shares.

**“Shares”** means the common units of fractional undivided beneficial interest in the profits, losses, distributions, capital and assets of, and ownership of, the Trust.

**“Sponsor”** means IDX Digital Assets, LLC, or any substitute therefor as provided herein, or any successor thereto by merger or operation of law.

**“Sponsor-paid Expense”** and **“Sponsor-paid Expenses”** have the meaning set forth in Section 6.8(a)(v).

**“Sponsor’s Fee”** has the meaning set forth in Section 6.8(a)(i).

**“Subscription”** has the meaning set forth in Section 3.2.

**“Subscription Agreement”** means an agreement among the Trust, the Sponsor and any Shareholder pursuant to which the Shareholder agrees to transfer U.S. Dollars and/or ETH (if permitted by the Sponsor) to the Trust in exchange for the creation and issuance of Shares to the Shareholder.

**“Subscription Date”** means the date on which a Person makes a Subscription.

**“Total Subscription Amount”** means the amount of U.S. Dollars and/or ETH (if permitted by the Sponsor) and any fees required to be transferred to the Trust by a Shareholder in connection with a Subscription.

**“Transfer Agent”** means the Administrator or any other Person from time to time engaged to provide the services of a transfer agent or related services to the Trust pursuant to authority delegated by the Sponsor, as described herein and in the Memorandum.

**“Treasury Regulations”** means regulations, including proposed or temporary regulations, promulgated under the Code. References herein to specific provisions of proposed or temporary regulations shall include analogous provisions of final Treasury Regulations or other successor Treasury Regulations.

**“Trust”** means IDX Risk-Managed Ethereum Trust, a Delaware statutory trust formed pursuant to the Certificate of Trust, the affairs of which are governed by this Trust Agreement.

**“Trust Agreement”** means this Amended and Restated Declaration of Trust and Trust Agreement, as it may at any time or from time-to-time be amended.

**“Trust Counsel”** has the meaning set forth in Section 13.3.

**“Trustee”** means Delaware Trust Company, its successors and assigns, or any substitute therefor as provided herein, acting not in its individual capacity but solely as trustee of the Trust.

**“Trust Estate”** means (i) all the ETH in the Trust’s accounts, including the ETH Account, (ii) all Incidental Rights held by the Trust, (iii) all IR Virtual Currency in the Trust’s accounts, (iv) all proceeds from Subscriptions and the sale of ETH, Incidental Rights and IR Virtual Currency and early redemption fees pending use of such cash for investment in ETH, payment of the Sponsor’s Fee, amounts payable by the Trust for Shares subject to redemption, and/or Additional Trust Expenses or distribution to the Shareholders and (v) any rights of the Trust pursuant to any agreements, other than this Trust Agreement, to which the Trust is a party.

**“Trust Expenses”** has the meaning set forth in Section 2.3.

**“U.S. Dollar”** means United States dollars.

## SECTION 1.2 *Name.*

The name of the Trust is “IDX Risk-Managed Ethereum Trust” in which name the Trustee and the Sponsor shall cause the Trust to carry out its purposes as set forth in Section 1.5, make and execute contracts and other instruments in the name and on behalf of the Trust and sue and be sued in the name and on behalf of the Trust.

## SECTION 1.3 *Delaware Trustee; Offices.*

(a) The sole Trustee of the Trust is Delaware Trust Company, which is located at the Corporate Trust Office or at such other address in the State of Delaware as the Trustee may designate in writing to the Shareholders. The Trustee shall receive service of process on the Trust in the State of Delaware at the foregoing address. In the event Delaware Trust Company resigns or is removed as the Trustee, the trustee of the Trust in the State of Delaware shall be the successor Trustee, subject to Section 2.1.

(b) The principal office of the Trust, and such additional offices as the Sponsor may establish, shall be located at such place or places inside or outside the State of Delaware as the Sponsor may designate from time to time in writing to the Trustee and the Shareholders. Initially, the principal office of the Trust shall be at c/o IDX Digital Assets, LLC, 2201 E. Camelback Road, Phoenix, AZ 85016.

#### SECTION 1.4 *Declaration of Trust.*

The Trust Estate shall be held in trust for the Shareholders. It is the intention of the parties hereto that the Trust shall be a statutory trust, under the Delaware Trust Statute and that this Trust Agreement shall constitute the governing instrument of the Trust. It is not the intention of the parties hereto to create a general partnership, limited partnership, limited liability company, joint stock association, corporation, bailment or any form of legal relationship other than a Delaware statutory trust that is treated as a grantor trust for U.S. federal income tax purposes and for purposes of applicable state and local tax laws. Nothing in this Trust Agreement shall be construed to make the Shareholders partners or members of a joint stock association. Effective as of the date hereof, the Trustee and the Sponsor shall have all of the rights, powers and duties set forth herein and in the Delaware Trust Statute with respect to accomplishing the purposes of the Trust. The Trustee has filed the certificate of trust required by Section 3810 of the Delaware Trust Statute in connection with the formation of the Trust under the Delaware Trust Statute.

#### SECTION 1.5 *Purposes and Powers.*

(a) The purposes of the Trust shall be to accept U.S. Dollars and/or ETH (if permitted by the Sponsor) for subscriptions of Shares in accordance with Article III hereof; to purchase, hold and sell ETH; to hold Incidental Rights and IR Virtual Currency; to distribute ETH (or cash from the sale of ETH) upon redemptions of Shares in accordance with Article V hereof (if authorized in accordance with Section 5.1 hereof); and to distribute ETH, Incidental Rights and IR Virtual Currency (or cash from the sale thereof) upon the liquidation of the Trust, and to enter into any lawful transaction and engage in any lawful activities in furtherance of or incidental to the foregoing. For the avoidance of doubt, such activities include any lawful action necessary or desirable in connection with the Trust's ownership of Incidental Rights, including the acquisition of IR Virtual Currency, except if such action would be prohibited by Section 1.5(b) or any other provision of this Trust Agreement. The Trust shall not engage in any business activity and shall not acquire or own any assets other than ETH, Incidental Rights and IR Virtual Currency (if permissible under Section 1.5(b) and Section 6.4(m)), U.S. Dollars received in connection with Subscriptions (pending use to purchase ETH), proceeds from sale of ETH, Incidental Rights and IR Virtual Currency and early redemption fees (pending use of such proceeds for payment of the Sponsor's Fee, amounts payable by the Trust for Shares subject to redemption, and/or Additional Trust Expenses or distribution to Shareholders) and rights pursuant to any agreements to which the Trust is a party (other than this Trust Agreement), or take any of the actions set forth in Section 6.4. The Trust shall have all of the powers specified in this Trust Agreement as powers which may be exercised by a Sponsor on behalf of the Trust under this Trust Agreement.

(b) The Trust shall not take any action that could cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes. Without limiting the generality of the foregoing, nothing in this Trust Agreement (including, for the avoidance of doubt, Section 1.5(a)) shall be construed to give the Trustee or the Sponsor the power to vary the investment of the Shareholders within the meaning of Section 301.7701-4(c) or similar provisions of the Treasury Regulations, nor shall the Trustee or the Sponsor take any action that would vary the investment of the Shareholders.

## SECTION 1.6 *Tax Treatment.*

Each of the parties hereto, by entering into this Trust Agreement, (i) expresses its intention that the Shares will qualify under applicable tax law as interests in a grantor trust which holds the Trust Estate, (ii) agrees that it will file its own U.S. federal, state and local income, franchise and other tax returns in a manner that is consistent with clause (i) of this Section 1.6 and with the classification of the Trust as a grantor trust, and (iii) agrees to use reasonable efforts to notify the Sponsor promptly upon a receipt of any notice from any taxing authority having jurisdiction over such holders of Shares with respect to the treatment of the Shares as anything other than interests in a grantor trust.

## SECTION 1.7 *Legal Title.*

Legal title to all of the Trust Estate shall be vested in the Trust as a separate legal entity; *provided, however*, that if applicable law in any jurisdiction requires legal title to any portion of the Trust Estate to be vested otherwise, the Sponsor may cause legal title to such portion of the Trust Estate to be held by or in the name of the Sponsor or any other Person (other than a Shareholder) as nominee.

## SECTION 1.8 *Assets of the Trust.*

The Trust Estate shall irrevocably belong to the Trust for all purposes, subject only to the rights of creditors of the Trust and shall be so recorded upon the books of account of the Trust.

## SECTION 1.9 *Liabilities of the Trust.*

The Trust Estate shall be charged with the liabilities of the Trust and with all expenses, costs, charges and reserves attributable to the Trust. The Sponsor shall have full discretion, to the extent not inconsistent with applicable law, to determine which items shall be treated as income and which items as capital, and each such determination and allocation shall be conclusive and binding upon the Shareholders.

# ARTICLE II. THE TRUSTEE

## SECTION 2.1 *Term; Resignation; Removal.*

(a) Delaware Trust Company has been appointed and hereby agrees to serve as the Trustee of the Trust. The Trust shall have only one Trustee unless otherwise determined by the Sponsor. The Trustee shall serve until such time as the Trust is terminated or if the Sponsor removes the Trustee or the Trustee resigns. The Trustee is appointed to serve as the trustee of the Trust in the State of Delaware and shall at all times satisfy the requirements of Section 3807(a) of the Delaware Trust Statute and be authorized to exercise corporate trust powers under the laws of Delaware, having a combined capital, surplus and undivided profits of at least \$50,000,000 and subject to supervision or examination by federal or state authorities. If the Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid supervising or examining authority, then for the purposes of this Article II the combined capital, surplus and undivided profits of the Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be

eligible to serve as trustee of the Trust in accordance with the provisions of this Section 2.1, the Trustee shall resign promptly in the manner and with the effect specified in this Article II. The Trustee may have normal banking and trust relationships with the Sponsor and their respective Affiliates; *provided* that none of (i) the Sponsor, (ii) any Person involved in the organization or operation of the Sponsor or the Trust or (iii) any Affiliate of any of them may be the Trustee hereunder. The Trust shall have at least one trustee with a principal place of business in Delaware. It is understood and agreed by the parties hereto that the Trustee shall have none of the duties or liabilities of the Sponsor and shall have no obligation to supervise or monitor the Sponsor or otherwise manage the Trust.

(b) The Trustee is permitted to resign upon at least sixty (60) days' notice to the Sponsor upon which date such resignation shall be effective.

(c) If at any time the Trustee shall cease to be eligible to serve as trustee of the Trust in accordance with the provisions of this Trust Agreement, or if at any time the Trustee shall become incapable of acting, or shall be adjudged bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Sponsor may remove the Trustee and appoint a successor trustee by written instrument, in duplicate, which instrument shall be delivered to the Trustee so removed and the successor trustee. The Sponsor may at any time, upon sixty (60) days' prior notice to the Trustee, remove the Trustee and appoint a successor trustee by written instrument or instruments, in triplicate, signed by the Sponsor or its attorney-in-fact duly authorized, one complete set of which instruments shall be delivered to the Trustee so removed and one complete set to the successor so appointed.

## SECTION 2.2 *Powers.*

Except to the extent expressly set forth in Section 1.3 and this Article II, the duty and authority to manage the affairs of the Trust is vested in the Sponsor, which duty and authority the Sponsor may further delegate as provided herein, all pursuant to Section 3806(b)(7) of the Delaware Trust Statute. The duties of the Trustee shall be limited to (i) accepting legal process served on the Trust in the State of Delaware and (ii) the execution of any certificates required to be filed with the Secretary of State of the State of Delaware which the Trustee is required to execute under Section 3811 of the Delaware Trust Statute. The Trustee shall provide prompt notice to the Sponsor of its performance of any of the foregoing. The Sponsor shall reasonably keep the Trustee informed of any actions taken by the Sponsor with respect to the Trust that would reasonably be expected to affect the rights, obligations or liabilities of the Trustee hereunder or under the Delaware Trust Statute.

## SECTION 2.3 *Compensation and Expenses of the Trustee.*

The Trustee shall be entitled to receive from the Sponsor, as a Sponsor-paid Expense, reasonable compensation for its services hereunder as set forth in a separate fee agreement and shall be entitled to be reimbursed by the Sponsor on behalf of the Trust for reasonable out-of-pocket expenses incurred by it in the performance of its duties hereunder, including without limitation, the reasonable compensation, out-of-pocket expenses and disbursements of counsel, any experts and such other agents as the Trustee may employ in connection with the exercise and

performance of its rights and duties hereunder (together, the “**Trust Expenses**”). To the extent that the Sponsor fails to pay the Trust Expenses, the Trust will be responsible for such Trust Expenses.

#### SECTION 2.4 *Indemnification.*

(a) The Trust hereby agrees to be the primary obligor and shall indemnify, defend and hold harmless the Trustee and any of the officers, directors, employees and agents of the Trustee (the “**Indemnified Persons**”) from and against any and all losses, damages, liabilities, claims, actions, suits, costs, expenses, disbursements (including the reasonable fees and expenses of counsel and fees and expenses incurred in connection with enforcement of its indemnification rights hereunder), taxes and penalties of any kind and nature whatsoever (collectively, “**Expenses**”), to the extent that such Expenses arise out of or are imposed upon or asserted at any time against such Indemnified Persons with respect to the performance of this Trust Agreement, the creation, operation or termination of the Trust or the transactions contemplated hereby; *provided, however*, that the Trust shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of an Indemnified Person. If the Trust shall have insufficient assets or improperly refuses to pay an Indemnified Person within sixty (60) days of a request for payment owed hereunder, the Sponsor shall, as secondary obligor, compensate or reimburse the Trustee or indemnify, defend and hold harmless an Indemnified Person as if it were the primary obligor hereunder; *provided, however*, that the Sponsor shall not be required to indemnify any Indemnified Person for any Expenses which are a result of the willful misconduct, bad faith or gross negligence of an Indemnified Person. To the fullest extent permitted by law and by the requirement for treatment of the Trust as a grantor trust for tax purposes, Expenses to be incurred by an Indemnified Person shall, from time to time, be advanced by, or on behalf of, the Sponsor prior to the final disposition of any matter upon receipt by the Sponsor of an undertaking by, or on behalf of, such Indemnified Person to repay such amount if it shall be determined that the Indemnified Person is not entitled to be indemnified under this Trust Agreement.

(b) As security for any amounts owing to the Trustee hereunder, the Trustee shall have a lien against the Trust property, which lien shall be prior to the rights of the Sponsor, the Sponsor or any Shareholder. The obligations of the Sponsor and the Trust to indemnify the Indemnified Persons under this Section 2.4 shall survive the termination of this Trust Agreement.

#### SECTION 2.5 *Successor Trustee.*

Upon the resignation or removal of the Trustee, the Sponsor shall appoint a successor Trustee by delivering a written instrument to the outgoing Trustee. Any successor Trustee must satisfy the requirements of Section 3807 of the Delaware Trust Statute. The successor Trustee shall become fully vested with all of the rights, powers, duties and obligations of the outgoing Trustee under this Trust Agreement, with like effect as if originally named as Trustee, and the outgoing Trustee shall be discharged of its duties and obligations under this Trust Agreement. Any business entity into which the Trustee may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, to the fullest extent permitted by law

without the execution or filing of any paper or any further act on the part of any of the parties hereto.

## SECTION 2.6 *Liability of Trustee.*

Except as otherwise provided in this Article II, in accepting the trust created hereby, Delaware Trust Company acts solely as Trustee hereunder and not in its individual capacity, and all Persons having any claim against Delaware Trust Company by reason of the transactions contemplated by this Trust Agreement and any other agreement to which the Trust is a party shall look only to the Trust Estate for payment or satisfaction thereof. The Trustee shall not be liable or accountable hereunder to the Trust or to any other Person or under any other agreement to which the Trust is a party, except for the Trustee's own fraud, gross negligence, bad faith or willful misconduct. In particular, but not by way of limitation:

(a) The Trustee shall have no liability or responsibility for the validity or sufficiency of this Trust Agreement or for the form, character, genuineness, sufficiency, enforceability, collectability, location, existence, value or validity of the Trust Estate;

(b) The Trustee has not prepared or verified, and shall not be responsible or liable for, any information, disclosure or other statement in the Memorandum or in any other document issued or delivered in connection with the sale or transfer of the Shares;

(c) The Trustee shall not be liable for any actions taken or omitted to be taken by it in accordance with the written instructions of the Sponsor or the Liquidating Trustee;

(d) The Trustee shall not have any liability for the acts or omissions of the Sponsor, the Security Vendors or their respective delegates, or any other Person;

(e) The Trustee shall have no duty or obligation to supervise the performance of any obligations of the Sponsor, the Security Vendors or their respective delegates or any other Person;

(f) No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its rights or powers hereunder;

(g) Under no circumstances shall the Trustee be liable for any obligations of the Trust arising under this Trust Agreement or any other agreements to which the Trust is a party;

(h) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement, or to institute, conduct or defend any litigation under this Trust Agreement or any other agreements to which the Trust is a party, at the request, order or direction of the Sponsor, unless the Sponsor has offered to Delaware Trust Company (in its capacity as Trustee and individually) security or indemnity satisfactory to it against the costs, expenses and liabilities that may be incurred by Delaware Trust Company (including, without limitation, the reasonable fees and expenses of its counsel) therein or thereby;

(i) Notwithstanding anything contained herein to the contrary, the Trustee shall not be required to take any action in any jurisdiction other than in the State of Delaware, if the taking of



such action will (i) require the consent or approval or authorization or order of, or the giving of notice to, or the registration with or taking of any action in respect of, any state or other governmental authority or agency of any jurisdiction other than the State of Delaware, (ii) result in any fee, tax or other governmental charge becoming payable by the Trustee under the laws of any jurisdiction or any political subdivision thereof other than the State of Delaware or (iii) subject the Trustee to personal jurisdiction, other than in the State of Delaware, for causes of action arising from personal acts unrelated to the consummation of the actions of the Trustee contemplated by this Trust Agreement;

(j) To the extent that, at law or in equity, the Trustee has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or any other Person, the Trustee, acting under this Trust Agreement, shall not be liable to the Trust, the Shareholders or any other Person for its good faith reliance on the provisions of this Trust Agreement, and the provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Trustee otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Trustee;

(k) The Trustee shall not be liable for punitive, exemplary, consequential or similar damages for a breach of the Trust Agreement under any circumstances; and

(l) The Trustee shall have no duty or obligation to prepare, execute or file any federal or state tax returns, documents, or other reports or apply for any Employer Identification Number.

#### SECTION 2.7 *Reliance; Advice of Counsel.*

(a) In the absence of bad faith, the Trustee may conclusively rely upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Trust Agreement in determining the truth of the statements and the correctness of the opinions contained therein, and shall incur no liability to anyone in acting or not acting on any signature, instrument, notice, resolution, request, consent, order, certificate, report, opinion, bond or other document or paper believed by it to be genuine and believed by it to be signed by the proper party or parties and need not investigate any fact or matter pertaining to, or contained in, any such document; *provided, however,* that the Trustee shall have examined any certificates and opinions so as to reasonably determine compliance of such certificates and opinions with the requirements of this Trust Agreement. The Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate party as conclusive evidence that such resolution has been duly adopted by such body and that such resolution is in full force and effect. As to any fact or matter the method of the determination of which is not specifically prescribed in this Trust Agreement, the Trustee may for all purposes hereof rely on a certificate, signed by the president, any vice president, the treasurer or any other authorized officers of the relevant party, as to such fact or matter, and such certificate shall constitute full protection to the Trustee for any action taken or omitted to be taken by it in good faith in reliance thereon.

(b) In the exercise or administration of the Trust hereunder and in the performance of its duties and obligations under this Trust Agreement, the Trustee, at the expense of the Trust (i) may act directly or through its agents, attorneys, custodians or nominees pursuant to agreements entered into with any of them, and the Trustee shall not be liable for the conduct or misconduct of

such agents, attorneys, custodians or nominees if such agents, attorneys, custodians or nominees shall have been selected by the Trustee with reasonable care and (ii) may consult with counsel, accountants and other skilled professionals to be selected with reasonable care by it. The Trustee shall not be liable for anything done, suffered or omitted in good faith by it in accordance with the opinion or advice of any such counsel, accountant or other such Persons.

#### SECTION 2.8 *Payments to the Trustee.*

Any amounts paid to the Trustee pursuant to this Article II shall be deemed not to be a part of the Trust Estate immediately after such payment. Any amounts owing to the Trustee under this Trust Agreement shall constitute a claim against the Trust Estate. Notwithstanding any other provision of this Trust Agreement, all payments to the Trustee, including fees, expenses and any amounts paid in connection with indemnification of the Trustee in accordance with the terms of this Trust Agreement will be payable only in U.S. Dollars.

### **ARTICLE III. SHARES; CREATIONS AND ISSUANCE OF SHARES**

#### SECTION 3.1 *General.*

The Sponsor shall have the power and authority, without action or approval by the Shareholders, to cause the Trust to issue Shares from time to time as it deems necessary or desirable in such manner and subject to such procedures as the Sponsor shall determine from time to time. The number of Shares authorized shall be unlimited, and the Shares so authorized may be represented in part by fractional Shares, calculated to one ten-thousandth of one ETH (i.e., carried to the fourth decimal place). From time to time, the Sponsor may cause the Trust to divide or combine the Shares into a greater or lesser number without thereby changing the proportionate beneficial interests in the Trust Estate, or in any way affecting the rights, of the Shareholders, without action or approval by the Shareholders. The Trust shall issue Shares solely in exchange for contributions of U.S. Dollars or, if permitted by the Sponsor, ETH (or for no consideration if pursuant to a Share distribution or split-up). All Shares when so issued shall be fully paid and non-assessable. The number of Shares that may be issued by the Trust is unlimited. Every Shareholder, by virtue of having purchased or otherwise acquired a Share, shall be deemed to have expressly consented and agreed to be bound by the terms of this Trust Agreement.

#### SECTION 3.2 *Offer of Shares; Procedures for Creation and Issuance of Shares to Purchasers.*

(a) On any Business Day, the Trust may create and issue Shares to any Person that has signed a Subscription Agreement with the Trust and transferred the Total Subscription Amount to the Trust; *provided* that the Trust shall create and issue Shares only if the Sponsor has determined in good faith that such creation and issuance does not conflict with the other terms of this Trust Agreement or with applicable law. The following procedures, as supplemented by the more detailed procedures specified in the Memorandum and the Subscription Agreement (each of which may be amended from time to time) will govern the Trust with respect to the creation and issuance of Shares.

(b) On any Business Day, a Person may submit an order to create Shares by delivering a Subscription Agreement to the Sponsor or its delegate and transferring the Total Subscription Amount to the Trust in the manner provided in the Subscription Agreement (a “**Subscription**”).

(c) After receiving and accepting a Subscription, the Sponsor or its delegate shall instruct the Transfer Agent to credit Shares to the Person making the Subscription, as described in the Memorandum and the Subscription Agreement (each of which may be amended from time to time).

(d) The Sponsor or its delegate shall reject a Subscription, if the Subscription is not in proper form or if the fulfillment of the Subscription, in the opinion of its counsel, might be unlawful. The issuance of Shares may be suspended by the Sponsor generally, or refused with respect to a particular Subscription, during any period when the transfer books of the Transfer Agent are closed or if circumstances outside the control of the Sponsor or its delegate make it for all practicable purposes not feasible to process Subscriptions or for any other reason at any time or from time to time. None of the Sponsor, its delegates or the Security Vendors shall be liable for the suspension or rejection of any Subscription.

(e) In the event of any conflict between the procedures described in this Section 3.3 and the PA Procedures, the PA Procedures shall control.

Successor Security Vendors. If a successor to any of the Security Vendors shall be employed, the Trust and the Sponsor shall establish procedures acceptable to such successor with respect to the matters addressed in this Section 3.2.

### SECTION 3.3 *Book-Entry System.*

(a) Shares shall be held in book-entry form by the Transfer Agent. The Sponsor or its delegate shall direct the Transfer Agent to (i) credit or debit the number of Shares to the account of the applicable Shareholder and (ii) issue or cancel Shares or Shares, as applicable, at the direction of the Sponsor or its delegate.

(b) The Sponsor or its delegate may cause the Trust to issue Shares in certificated form in its sole discretion.

### SECTION 3.4 *Voting Rights.*

Notwithstanding any other provision hereof, on each matter submitted to a vote of the Shareholders, each Shareholder shall be entitled to a proportionate vote based upon its Percentage Interest at such time.

### SECTION 3.5 *Equality.*

All Shares shall represent an equal proportionate beneficial interest in the Trust Estate subject to the liabilities of the Trust, and each Share's interest in the Trust Estate shall be equal to each other Share.

### SECTION 3.6 *Distributions.*

(a) The Trust may make distributions on Shares either in cash or in kind, including in such form as is necessary and permissible for the Trust to facilitate the distribution of Incidental Rights and/or IR Virtual Currency.

(b) Distributions on Shares, if any, may be made with such frequency as the Sponsor may determine, which may be daily or otherwise, to the Shareholders, from the Trust Estate, after providing for actual and accrued liabilities. All distributions on Shares shall be made *pro rata* to the Shareholders in proportion to their respective Percentage Interests at the date and time of record established for such distribution.

(c) If the Trust sells ETH, Incidental Rights and/or IR Virtual Currency in order to pay the Sponsor's Fee, amounts payable by the Trust for Shares subject to redemption, and/or Additional Trust Expenses, then any cash remaining from these sales after the payment of any such amounts shall promptly be distributed to the Shareholders.

## ARTICLE IV. TRANSFERS OF SHARES

### SECTION 4.1 *General Prohibition*

A Shareholder may not sell, assign, transfer or otherwise dispose of, or pledge, hypothecate or in any manner encumber any or all of its Shares or any part of its right, title and interest in the Trust Estate except as permitted in this Article IV and any act in violation of this Article IV shall not be binding upon or recognized by the Trust (regardless of whether the Sponsor shall have knowledge thereof), unless approved in writing by the Sponsor, in its sole discretion.

### SECTION 4.2 *Restricted Securities.*

Except for Shares transferred in a transaction registered under the Securities Act, the Shares are “**restricted securities**” that cannot be resold, pledged or otherwise transferred without registration under the Securities Act and state securities laws or exemption therefrom and may not be resold, pledged or otherwise transferred without the prior written consent of the Sponsor, which it may withhold in its sole discretion for any reason or for no reason. The Sponsor may provide any such written consent in the Memorandum, as it may be amended from time to time.

### SECTION 4.3 *Transfer of Shares Generally.*

Shares shall be transferable on the books of account for the Trust only by the record holder thereof or by his or her duly authorized agent upon delivery to the Sponsor or the Transfer Agent or similar agent of a duly executed instrument of transfer, and such evidence of the genuineness of each such execution and authorization and of such other matters as may be required by the Sponsor. Upon such delivery, and subject to any further requirements specified by the Sponsor, the transfer shall be recorded on the books of account for the Trust. Until a transfer is so recorded, the Shareholder of record of Shares shall be deemed to be the Shareholder with respect to such Shares for all purposes hereunder and neither the Sponsor nor the Trust, nor the Transfer Agent or any similar agent or registrar or any officer, employee or agent of the Trust, shall be affected by any notice of a proposed transfer.

## ARTICLE V. REDEMPTIONS

### *SECTION 5.1 Redemption Program.*

(a) Notwithstanding anything in this Agreement to the contrary, unless otherwise determined by the Sponsor in its sole discretion following the Trust's receipt of regulatory approval therefor, the Trust shall not offer a redemption program for the Shares on or after the Redemption Cutoff Date. The Trust may, but shall not be required to, seek regulatory approval to operate a redemption program on or after the Redemption Cutoff Date. If any redemption program is approved, then any redemption authorized by the Sponsor shall be subject to the provisions of this Article V and such other conditions determined by the Sponsor in its sole discretion.

(b) Subject to the limitations set forth in this Article V and elsewhere in this Trust Agreement, and subject also to the notice requirement described below, at any time prior to the Redemption Cutoff Date, each Shareholder may request that the Trust redeem all or a portion of such Shareholder's Shares attributable to any Subscription as of the first Redemption Date that occurs on or immediately following the first anniversary of the Subscription Date on which that Subscription was made (the "**Lock-up Period**"). Each Subscription by a Shareholder and corresponding issuance of Shares shall be subject to a new Lock-Up Period. Notwithstanding the foregoing and subject to all other redemption restrictions, including without limitation, the restrictions set forth in Sections 5.1(c) and (d), a Shareholder may have any portion of such Shareholder's Shares redeemed during a Lock-Up Period on a Redemption Date upon the payment to the Trust of an early redemption fee equal to 3% of the fair value of the Shares subject to the redemption.

(c) Each Shareholder seeking a redemption pursuant to this Section 5.1 on any Redemption Date must give written notice to the Administrator in the form and with the conditions prescribed by the Administrator from time to time by the first Business Day of the calendar quarter in which such Redemption Date falls. Once submitted, redemption requests may not be revoked, except with the consent of the Sponsor, which may be granted or withheld in its discretion. A Shareholder shall not, without the approval of the Sponsor, which may be granted or withheld in its discretion, request a partial redemption of such Shareholder's Shares that will cause such Shareholder to hold Shares with an aggregate value of less than \$10,000 or such lower amount as the Sponsor may specify in its discretion, with such aggregate value to be determined by aggregating the fair value of all of the Shares owned by that Shareholder at the time of determination. No redemption shall be made unless the Trust has sufficient assets to pay its liabilities.

(d) Notwithstanding anything in this Agreement to the contrary, and subject to the Lock-Up Period, if applicable, the Sponsor, in its discretion, upon prior notice to the Shareholders, may elect to not allow a Shareholder to have more than 25% of that Shareholder's outstanding Shares redeemed as of any particular Redemption Date. If the Sponsor has made the election provided in this Section 5.1(d), any request for redemption of more than 25% of a Shareholder's Shares, other than with respect to a request for the redemption of all of a Shareholder's Shares (a "**Full Redemption**"), will be deemed to be a request for redemption of 25% of such Shares, and the excess amount of any such request shall be deemed to be cancelled, meaning that that Shareholder must resubmit a redemption request, if that Shareholder would like such excess

amount to be redeemed as of subsequent Redemption Dates. If the Sponsor has made the election provided in this Section 5.1(d) with respect to a request for a Full Redemption, any amount of a Shareholder's Shares that are not redeemed due to the application of the suspension set forth in this Section 5.1(d) will have first priority as of the next Redemption Date and will also be subject to any suspension under this Section 5.1(d) at each subsequent Redemption Date, until the initial request for redemption amount is fulfilled; provided that, the application of a suspension pursuant to this Section 5.1(d) will not delay the redemption of any amount of a Shareholder's Shares for more than twelve months after the effective date of such request for redemption. The Sponsor may, in its discretion, fulfill a redemption request that remains unsatisfied following a Redemption Date at earlier times than those provided in the immediately preceding sentence and in priority to later requests.

(e) The Sponsor, in its discretion, may terminate the ability of Shareholders to request redemptions upon written notice to the Shareholders, permit redemptions at other times or otherwise modify or waive any redemption conditions and requirements set forth in this Article V. Notwithstanding any provision of this Agreement to the contrary, the rights of Shareholders to request redemptions shall automatically terminate without any action required on the part of the Sponsor on the Redemption Cutoff Date; provided that the Sponsor may, but shall not be required to, reinstate the right of Shareholders to request redemptions in accordance with this Article V upon receiving regulatory approval to operate a redemption program subsequent to the Redemption Cutoff Date.

## ***SECTION 5.2 Payment for Redeemed Shareholders.***

The amount payable by the Trust for a Shareholder's Shares subject to a redemption shall equal the total number of Shares such Shareholder has specified in its redemption notice multiplied by the price per Share as of the Redemption Date and after adjustment for (i) any accrual of the Sponsor's Fee then due and attributable with respect to such redemption amount, (ii) any expenses associated with such redemption, including transaction costs, and (iii) any reserves (as described in Section 5.3 below) (the "**Redemption Price**"). Except as otherwise set forth in this Article V and unless otherwise agreed by the Sponsor, at least 90% of the Redemption Price shall be paid to a Shareholder within 30 Business Days after the relevant Redemption Date, with the balance being paid as soon as practicable after completion of the Trust's annual audit for the Fiscal Year in which the redemption was effected. The Shareholder shall not earn interest on any such unpaid balance. However, the Trust may take longer than 30 Business Days to settle redemption requests, if the Trust is unable to liquidate its investments, if the value of the assets and liabilities of the Trust cannot be determined with reasonable accuracy, or for any other reason. If, after the completion of the Trust's year-end audit, the Sponsor determines that the amount previously distributed to a Shareholder varied from the amount that such Shareholder was actually entitled to receive, then within 10 calendar days of notification thereof, the Trust will pay to such Shareholder the remaining balance, if any, of the amount to which such Shareholder is entitled, or such Shareholder will be obligated to repay the Trust the excess, if any, of the amount previously paid over the amount to which such Shareholder is entitled. All of the Shareholder's Shares subject to the redemption shall be deemed to have been redeemed as of the applicable Redemption Date. At the discretion of the Sponsor, the amount of payment for the Shares to be redeemed may be made in whole in cash, or in whole in kind, or in part in cash and in part in kind and, in all cases, shall be subject to the establishment of reserves, in cash or in kind, which the Sponsor deems necessary or

appropriate to reflect contingent or other liabilities of the Trust existing as of the effective date of such redemption. To cause the Trust to pay the Redemption Price, the Sponsor or its delegates shall, instructing the Security Vendors as necessary, (a) withdraw from the Digital Asset Accounts Digital Assets in such quantity as may be necessary to permit payment of such Redemption Price and (b) may either (x) cause the Trust (or its delegate) to convert such Digital Assets into U.S. Dollars or other fiat currencies at the Actual Exchange Rate(s) or (y) cause the Trust (or its delegate) to deliver such Digital Assets in kind in satisfaction of such redemption.

### SECTION 5.3 *Limitations on Redemptions.*

(a) In addition to the Sponsor's discretion to elect to apply the limitations set forth in Section 5.1(d), the right of any Shareholder or its legal representatives to request redemption of its Shares and to have distributed to it any such amount (or any portion thereof) pursuant to this Article V is subject to the provision by the Sponsor for all Trust liabilities in accordance with the Delaware Trust Statute and for reserves for contingencies and estimated accrued expenses and liabilities. Such reserves may be invested in the same manner as other assets of the Trust, placed in an interest-bearing account or dealt with in such other manner as the Sponsor deems appropriate.

(b) The Sponsor, by written notice to the Shareholders, may suspend redemption rights, in whole or in part: (i) during the existence of any state of affairs as a result of which, in the opinion of the Sponsor, disposal of investments by the Trust would not be reasonably practicable, would be seriously prejudicial to the non-redeeming Shareholders or would otherwise not be in the best interests of the Trust; (ii) during any breakdown in the means of communication normally employed in determining the price or value of the Trust's assets or liabilities, or of current prices in any stock market as aforesaid, or when for any other reason the prices or values of any assets or liabilities of the Trust cannot reasonably be promptly and accurately ascertained; or (iii) during any period when the transfer of funds involved in the realization or acquisition of any investments cannot, in the opinion of the Sponsor, be effected at normal rates of exchange. In addition, the Sponsor, by written notice to any Shareholder, may suspend payment of redemption proceeds to such Shareholder, if the Sponsor reasonably deems it necessary to do so to comply with anti-money laundering laws and regulations applicable to the Trust, the Sponsor and their affiliates, subsidiaries or associates or any of the Trust's other service providers.

(c) The Sponsor may withhold taxes from any payments for redemptions or other distributions to any Shareholder, or in respect of allocations of Trust net or gross income or gain, to the extent required by the Code or any other applicable law. For purposes of this Agreement, any taxes so withheld by the Trust with respect to any redemption payments or other distributions by the Trust on any Shares, or in respect of allocations of Trust net or gross income or gain, shall be deemed to be a distribution or payment with respect to such Shares, *inter alia* reducing the amount otherwise distributable on such Shares pursuant to this Trust Agreement. The Sponsor shall not be obligated to apply for or obtain a reduction of or exemption from withholding tax on behalf of any Shareholder that may be eligible for such reduction or exemption. To the extent that a Shareholder claims to be entitled to a reduced rate of, or exemption from, a withholding tax pursuant to an applicable income tax treaty, or otherwise, the Shareholder shall furnish the Sponsor with such information and forms as such Shareholder may be required to complete where necessary to comply with any and all laws and regulations governing the obligations of withholding tax agents. Each Shareholder represents and warrants that any such information and

forms furnished by such Shareholder shall be true and accurate and agrees to indemnify the Trust, the Sponsor and each of the Shareholders from any and all damages, costs and expenses resulting from the filing of inaccurate or incomplete information or forms relating to such withholding taxes.

(d) Notwithstanding the foregoing, the Trust shall not deem a Shareholder's Shares to have been redeemed to the extent that such redemption, as determined in the reasonable discretion of the Sponsor, would cause the Trust to be treated as an association taxable as a corporation for U.S. federal income tax purposes pursuant to Code Section 7704.

## **ARTICLE VI. THE SPONSOR**

### **SECTION 6.1 *Management of the Trust.***

Pursuant to Section 3806(b)(7) of the Delaware Trust Statute, the Trust shall be managed by the Sponsor in accordance with this Trust Agreement. The Sponsor may delegate, as provided herein, the duty and authority to manage the affairs of the Trust. Any determination as to what is in the interests of the Trust made by the Sponsor in good faith shall be conclusive. In construing the provisions of this Trust Agreement, the presumption shall be in favor of a grant of power to the Sponsor, but subject, for the avoidance of doubt, to the restrictions, prohibitions and limitations expressly set forth in Section 1.5, Section 6.4(m) and otherwise in this Trust Agreement. The enumeration of any specific power in this Trust Agreement shall not be construed as limiting the aforesaid power.

### **SECTION 6.2 *Authority of Sponsor.***

In addition to, and not in limitation of, any rights and powers conferred by law or other provisions of this Trust Agreement, and except as limited, restricted or prohibited by the express provisions of this Trust Agreement or the Delaware Trust Statute, the Sponsor shall have and may exercise on behalf of the Trust, all powers and rights necessary, proper, convenient or advisable to effectuate and carry out the purposes of the Trust, which powers and rights shall include, without limitation, the following:

(a) To enter into, execute, accept, deliver and maintain, and to cause the Trust to perform its obligations under, contracts, agreements and any or all other documents and instruments incidental to the Trust's purposes, and to do and perform all such acts as may be in furtherance of the Trust's purposes, or necessary or appropriate for the offer and sale of the Shares, including, but not limited to, causing the Trust to enter into (i) contracts or agreements with the Sponsor or an Affiliate, *provided* that any such contract or agreement does not conflict with the provisions of Section 1.5(b) of this Trust Agreement, Section 6.4 of this Trust Agreement or clause (ii) of this Section 6.2(a) and (ii) contracts with third parties for various services, it being understood that any document or instrument executed or accepted by the Sponsor in the Sponsor's name shall be deemed executed and accepted on behalf of the Trust by the Sponsor, *provided, however*, that such services may be performed by an Affiliate or Affiliates of the Sponsor so long as the Sponsor has made a good faith determination that (A) the Affiliate that it proposes to engage to perform such services is qualified to do so (considering the prior experience of the Affiliate or the individuals employed by the Affiliate); (B) the terms and conditions of the agreement pursuant



to which such Affiliate is to perform services for the Trust are no less favorable to the Trust than could be obtained from equally-qualified unaffiliated third parties; and (C) the maximum period covered by the agreement pursuant to which such Affiliate is to perform services for the Trust shall not exceed one year, and such agreement shall be terminable without penalty upon one hundred twenty (120) days' prior written notice by the Trust;

(b) To establish, maintain, deposit into, and sign checks and/or otherwise draw upon, accounts on behalf of the Trust with appropriate banking and savings institutions;

(c) To deposit, withdraw, pay, retain and distribute the Trust Estate or any portion thereof in any manner consistent with the provisions of this Trust Agreement;

(d) To supervise the preparation of the Memorandum and supplements and amendments thereto;

(e) To make or authorize the making of distributions to the Shareholders and expenses of the Trust out of the Trust Estate;

(f) To cause the Trust to appoint an agent to act on behalf of the Shareholders pursuant to Section 7.5;

(g) To prepare, or cause to be prepared, and file, or cause to be filed, an application to register any Shares under the Securities Act and/or the Exchange Act and to take any other action and execute and deliver any certificates or documents that may be necessary to effectuate such registration;

(h) To prepare, or cause to be prepared, and file, or cause to be filed, a registration statement for the offer and sale of Shares under the Securities Act and/or an application to enable the Shares to be listed, quoted or traded on any Secondary Market and to take any other action and execute and deliver any certificates or documents that may be necessary to effectuate such listing, quotation or trading;

(i) To appoint one or more Security Vendors, including itself or an Affiliate, to provide for custodial or non-custodial security services, or to determine not to appoint any Security Vendors, and to otherwise take any action with respect to the Security Vendors to safeguard the Trust Estate;

(j) In the sole and absolute discretion of the Sponsor, to admit an Affiliate or Affiliates of the Sponsor as additional Sponsors;

(k) To delegate those of its duties hereunder as it shall determine from time to time to one or more Distributors, and add any additional service providers, if needed and as applicable;

(l) To perform such other services as the Sponsor believes that the Trust may from time to time require;

(m) To determine, in good faith, which peer-to-peer network, among a group of incompatible forks of the Ethereum Network, is generally accepted as ETH and should therefore

be considered “**ETH**” for the Trust’s purposes, which the Sponsor will determine based on a variety of then relevant factors, including (but not limited to) the following: (i) the Sponsor’s beliefs regarding expectations of the core developers of ETH, users, services businesses, miners and other constituencies and (ii) the actual, continued development, acceptance, mining power and community engagement; *provided* that the Sponsor shall not make a determination that would conflict with Section 1.5(b) or Section 6.4(m) of this Trust Agreement; and

(n) In general, but subject to Section 1.5 and Section 6.4 of this Trust Agreement, to do everything necessary, suitable or proper for the accomplishment of any purpose or the furtherance of any power herein set forth, either alone or in association with others, and to do every other act or thing incidental or appurtenant to, or growing out of or connected with, the aforesaid purposes or powers.

### SECTION 6.3 *Obligations of the Sponsor.*

In addition to the obligations expressly provided by the Delaware Trust Statute or this Trust Agreement, the Sponsor shall:

(a) Devote such of its time to the affairs of the Trust as it shall, in its discretion exercised in good faith, determine to be necessary to carry out the purposes of the Trust, as set forth in Section 1.5, for the benefit of the Shareholders;

(b) Execute, file, record and/or publish all certificates, statements and other documents, prepare and execute any tax reports or filings, apply for the Employer Identification Number, and do any and all other things as may be appropriate for the formation, qualification and operation of the Trust and for the conduct of its affairs in all appropriate jurisdictions;

(c) Retain independent public accountants to audit the accounts of the Trust;

(d) Employ attorneys to represent the Sponsor and, as necessary, the Trust;

(e) Select and enter into agreements with the Trustee and any other service provider to the Trust;

(f) Use its best efforts to maintain the status of the Trust as a grantor trust for U.S. federal income tax purposes under Subpart E, Part I of Subchapter J of the Code;

(g) Monitor all fees charged to the Trust, and the services rendered by the service providers to the Trust, to determine whether the fees paid by, and the services rendered to, the Trust are at competitive rates and are the best price and services available under the circumstances, and if necessary, renegotiate the fee structure to obtain such rates and services for the Trust;

(h) Have fiduciary responsibility for the safekeeping and use of the Trust Estate, whether or not in the Sponsor’s immediate possession or control;

(i) Not employ or permit others to employ the Trust Estate in any manner except for the benefit of the Trust, as determined by the Sponsor in its sole discretion, including, among other

things, the utilization of any portion of the Trust Estate as compensating balances for the exclusive benefit of the Sponsor;

(j) At all times act with integrity and good faith and exercise due diligence in all activities relating to the Trust and in resolving conflicts of interest;

(k) In connection with each Subscription, receive directly or through it delegates the Total Subscription Amount;

(l) In connection with each Subscription, after receiving the Total Subscription Amount and accepting the Subscription, direct the Transfer Agent to credit the Shares subject to the Subscription to the Shareholder, as described in Section 3.2;

(m) Receive directly or through its delegates and process properly submitted redemption requests (if authorized, as described in Article V);

(n) Interact with the Security Vendors and any other party as required;

(o) If the Shares are listed, quoted or traded on any Secondary Market, cause the Trust to comply with all rules, orders and regulations of such Secondary Market to which the Trust is subject as a result of the listing, quotation or trading of the Shares on such Secondary Market, and take all such other actions that may reasonably be taken and are necessary for the Shares to remain listed, quoted or traded on such Secondary Market until the Trust is terminated or the Shares are no longer listed, quoted or traded on such Secondary Market;

(p) If the Shares are transferred in a transaction registered under the Securities Act or registered under the Exchange Act, cause the Trust to comply with all rules, orders and regulations of the SEC and take all such other actions as may reasonably be taken and are necessary for the Shares to remain registered under the Exchange Act until the Trust is terminated or the Shares are no longer registered under the Exchange Act; and

(q) Take all actions to prepare and, to the extent required by this Trust Agreement or by law, mail to Shareholders any reports, press releases or statements, financial or otherwise, that the Sponsor determines are required to be provided to Shareholders by applicable law or governmental regulation or the requirements of any Secondary Market on which the Shares are listed, quoted or traded or, if any Shares are transferred in a transaction registered under the Securities Act or registered under the Exchange Act, the SEC, as applicable.

The foregoing clauses of Section 6.2 and Section 6.3 shall be construed as powers, and the foregoing enumeration of specific powers shall not be held to limit or restrict in any manner the general powers of the Sponsor. Any action by the Sponsor hereunder shall be deemed an action on behalf of the Trust, and not an action in an individual capacity.

## SECTION 6.4 *General Prohibitions.*

The Trust shall not, and the Sponsor shall not have the power to cause the Trust to:

- (a) Receive any property other than U.S. Dollars and/or ETH (if permitted by the Sponsor) upon the issuance of Shares;
- (b) Hold any property other than (i) ETH, Incidental Rights and IR Virtual Currency, (ii) cash received as early redemption fees and from the sale of ETH, Incidental Rights or IR Virtual Currency and (iii) interests in any liquidating trust or other vehicle formed to hold Incidental Rights or IR Virtual Currency pending distribution of such interests to the Shareholders;
- (c) Hold any cash received as early redemption fees or from the sale of ETH, Incidental Rights or IR Virtual Currency for more than thirty (30) Business Days prior to using such cash to pay the Sponsor's Fee, amounts payable by the Trust for shares subject to redemption, and/or Additional Trust Expenses and distributing any remaining cash to the Shareholders;
- (d) If the redemption of Shares is not authorized as described in Article V, redeem any Shares other than upon the dissolution of the Trust;
- (e) If the redemption of Shares is authorized as described in Article V, redeem the Shares other than (i) to satisfy a redemption order from a Shareholder or (ii) upon the dissolution of the Trust;
- (f) Borrow money from, or loan money to, any Shareholder (including the Sponsor) or any other Person;
- (g) Create, incur, assume or suffer to exist any lien, mortgage, pledge conditional sales or other title retention agreement, charge, security interest or encumbrance on or with respect to the Trust Estate, except for (i) liens for taxes not delinquent or being contested in good faith and by appropriate proceedings and for which appropriate reserves have been established and (ii) liens by the Trustee against the Trust property as security for any amounts owing to the Trustee hereunder;
- (h) Commingle the Trust Estate with the assets of any other Person, except in the ordinary course of business of the Trust, as described in Section 1.5;
- (i) Permit rebates to be received by the Sponsor or any Affiliate of the Sponsor, or permit the Sponsor or any Affiliate of the Sponsor to engage in any reciprocal business arrangements which would circumvent the foregoing prohibition;
- (j) Enter into any contract with the Sponsor or an Affiliate of the Sponsor (A) that, except for selling agreements for the sale of Shares, has a term of more than one year and that does not provide that it may be canceled by the Trust without penalty on one hundred twenty (120) days prior written notice or (B) for the provision of services, except at rates and terms at least as favorable as those that may be obtained from third parties in arm's length negotiations;
- (k) Enter into any exclusive brokerage contract;

(l) Elect to be treated as an association taxable as a corporation for U.S. federal income tax purposes; or

(m) Notwithstanding any other provision of this Trust Agreement, including Section 6.4(b), take any action that could cause the Trust to be treated other than as a grantor trust for U.S. federal income tax purposes.

#### SECTION 6.5 *Liability of Covered Persons*

A Covered Person shall have no liability to the Trust or to any Shareholder or other Covered Person for any loss suffered by the Trust which arises out of any action or inaction of such Covered Person if such Covered Person, in good faith, determined that such course of conduct was in the best interest of the Trust and such course of conduct did not constitute fraud, gross negligence, bad faith or willful misconduct of such Covered Person. Subject to the foregoing, neither the Sponsor nor any other Covered Person shall be personally liable for the return or repayment of all or any portion of the ETH transferred, or the purchase price otherwise paid, by a Shareholder for its Shares, it being expressly agreed that any such return made pursuant to this Trust Agreement shall be made solely from the assets of the Trust without any rights of contribution from the Sponsor or any other Covered Person. A Covered Person shall not be liable for the conduct or misconduct of any delegate selected by the Sponsor with reasonable care.

#### SECTION 6.6 *Fiduciary Duty.*

(a) To the extent that, at law or in equity, the Sponsor has duties (including fiduciary duties) and liabilities relating thereto to the Trust, the Shareholders or any other Person, the Sponsor acting under this Trust Agreement shall not be liable to the Trust, the Shareholders or any other Person for its good faith reliance on the provisions of this Trust Agreement subject to the standard of care set forth in Section 6.5 herein. The provisions of this Trust Agreement, to the extent that they restrict or eliminate the duties and liabilities of the Sponsor otherwise existing at law or in equity are agreed by the parties hereto to replace such other duties and liabilities of the Sponsor. To the fullest extent permitted by law, no Person other than the Sponsor and the Trustee shall have any duties (including fiduciary duties) or liabilities at law or in equity to the Trust, the Shareholders or any other Person.

(b) Unless otherwise expressly provided herein, (i) whenever a conflict of interest exists or arises between the Sponsor or any of its Affiliates, on the one hand, and the Trust, any Shareholder or any other Person, on the other hand; or (ii) whenever this Trust Agreement or any other agreement contemplated herein provides that the Sponsor shall act in a manner that is, or provides terms that are, fair and reasonable to the Trust, any Shareholder or any other Person, the Sponsor shall resolve such conflict of interest, take such action or provide such terms, considering in each case the relative interest of each party (including its own interest) to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests, any customary or accepted industry practices, and any applicable generally accepted accounting practices or principles. In the absence of bad faith by the Sponsor, the resolution, action or terms so made, taken or provided by the Sponsor shall not constitute a breach of this Trust Agreement or any other agreement contemplated herein or of any duty or obligation of the Sponsor at law or in equity or otherwise.

(c) The Sponsor and any Affiliate of the Sponsor may engage in or possess an interest in profit-seeking or business ventures of any nature or description, independently or with others, whether or not such ventures are competitive with the Trust and the doctrine of corporate opportunity, or any analogous doctrine, shall not apply to the Sponsor. If the Sponsor acquires knowledge of a potential transaction, agreement, arrangement or other matter that may be an opportunity for the Trust, it shall have no duty to communicate or offer such opportunity to the Trust, and the Sponsor shall not be liable to the Trust or to the Shareholders for breach of any fiduciary or other duty by reason of the fact that the Sponsor pursues or acquires for, or directs such opportunity to, another Person or does not communicate such opportunity or information to the Trust. Neither the Trust nor any Shareholder shall have any rights or obligations by virtue of this Trust Agreement or the trust relationship created hereby in or to such independent ventures or the income or profits or losses derived therefrom, and the pursuit of such ventures, even if competitive with the purposes of the Trust, shall not be deemed wrongful or improper. Except to the extent expressly provided herein, the Sponsor may engage or be interested in any financial or other transaction with the Trust, the Shareholders or any Affiliate of the Trust or the Shareholders.

(d) To the fullest extent permitted by law and notwithstanding any other provision of this Trust Agreement or in any agreement contemplated herein or applicable provisions of law or equity or otherwise, whenever in this Trust Agreement a Person is permitted or required to make a decision (a) in its “**sole discretion**” or “**discretion**” or under a grant of similar authority or latitude, the Person shall be entitled to consider only such interests and factors as it desires, including its own interests, and shall have no duty or obligation to give any consideration to any interest of or factors affecting the Trust, the Shareholders or any other Person, or (b) in its “**good faith**” or under another express standard, the Person shall act under such express standard and shall not be subject to any other or different standard. The term “**good faith**” as used in this Trust Agreement shall mean subjective good faith as such term is understood and interpreted under Delaware law

#### SECTION 6.7 *Indemnification of the Sponsor.*

(a) The Sponsor shall be indemnified by the Trust against any losses, judgments, liabilities, expenses and amounts paid in settlement of any claims sustained by it in connection with its activities for the Trust, *provided* that (i) the Sponsor was acting on behalf of, or performing services for, the Trust and has determined, in good faith, that such course of conduct was in the best interests of the Trust and such liability or loss was not the result of fraud, gross negligence, bad faith, willful misconduct, or a material breach of this Trust Agreement on the part of the Sponsor and (ii) any such indemnification will be recoverable only from the Trust Estate. All rights to indemnification permitted herein and payment of associated expenses shall not be affected by the dissolution or other cessation of existence of the Sponsor, or the withdrawal, adjudication of bankruptcy or insolvency of the Sponsor, or the filing of a voluntary or involuntary petition in bankruptcy under Title 11 of the United States Code by or against the Sponsor.

(b) Notwithstanding the provisions of Section 6.7(a) above, the Sponsor and any other Person acting as a broker-dealer for the Trust shall not be indemnified for any losses, liabilities or expenses arising from or out of an alleged violation of U.S. federal or state securities laws unless (i) there has been a successful adjudication on the merits of each count involving alleged securities law violations as to the particular indemnitee and the court approves the indemnification of such

expenses (including, without limitation, litigation costs), (ii) such claims have been dismissed with prejudice on the merits by a court of competent jurisdiction as to the particular indemnitee and the court approves the indemnification of such expenses (including, without limitation, litigation costs) or (iii) a court of competent jurisdiction approves a settlement of the claims against a particular indemnitee and finds that indemnification of the settlement and related costs should be made.

(c) The Trust shall not incur the cost of that portion of any insurance that insures any party against any liability, the indemnification of which is herein prohibited.

(d) Expenses incurred in defending a threatened or pending civil, administrative or criminal action suit or proceeding against the Sponsor shall be paid by the Trust in advance of the final disposition of such action, suit or proceeding, if (i) the legal action relates to the performance of duties or services by the Sponsor on behalf of the Trust; (ii) the legal action is initiated by a third party who is not a Shareholder or the legal action is initiated by a Shareholder and a court of competent jurisdiction specifically approves such advance; and (iii) the Sponsor undertakes to repay the advanced funds with interest to the Trust in cases in which it is not entitled to indemnification under this Section 6.7.

(e) The term “**Sponsor**” as used only in this Section 6.7 shall include, in addition to the Sponsor, any other Covered Person performing services on behalf of the Trust and acting within the scope of the Sponsor’s authority as set forth in this Trust Agreement.

(f) In the event the Trust is made a party to any claim, dispute, demand or litigation or otherwise incurs any loss, liability, damage, cost or expense as a result of or in connection with any Shareholder’s (or assignee’s) obligations or liabilities unrelated to Trust affairs, such Shareholder (or assignees cumulatively) shall indemnify, defend, hold harmless, and reimburse the Trust for all such loss, liability, damage, cost and expense incurred, including attorneys’ and accountants’ fees.

#### SECTION 6.8 *Expenses and Limitations Thereon.*

(a) Sponsor’s Fee.

(i) The Trust shall pay to the Sponsor a fee (the “**Sponsor’s Fee**”), payable in U.S. Dollars and/or ETH, or as provided in Section 6.8(a)(iv), at the discretion of the Sponsor, which shall accrue daily in U.S. Dollars at an annual rate of 2.99% of the ETH Holdings Fee Basis Amount of the Trust as of 4:00 p.m. GMT on each day; provided that for a day that is not a Business Day, the calculation shall be based on the ETH Holdings Fee Basis Amount from the most recent Business Day, reduced by the accrued and unpaid Sponsor’s Fee for such most recent Business Day and for each day after such most recent Business Day and prior to the relevant calculation date. The amount of U.S. Dollars and/or ETH payable in respect of each daily U.S. Dollar accrual shall be determined by reference to the same ETH Reference Rate used to determine such accrual. The Sponsor’s Fee is payable to the Sponsor monthly in arrears.

(ii) Except as provided in Section 6.8(a)(iv), to cause the Trust to pay the Sponsor’s Fee, the Sponsor shall instruct the Security Vendors to withdraw from the ETH

Account the number of ETH equal to the accrued but unpaid Sponsor's Fee, convert such ETH to U.S. Dollars to the extent the fee shall be payable in U.S. Dollars, and transfer such U.S. Dollars and/or ETH to the Sponsor's account at such times as the Sponsor determines in its absolute discretion.

(iii) The Shareholders acknowledge that (x) after the payment of all or part of the Sponsor's Fee to the Sponsor in ETH, the Sponsor may elect to convert the ETH it receives into U.S. Dollars and (y) the rate at which the Sponsor converts such ETH to U.S. Dollars may differ from the rate at which the Sponsor's Fee was initially converted into ETH. The Trust shall not be responsible for any fees and expenses incurred by the Sponsor to convert ETH received in payment of the Sponsor's Fee into U.S. Dollars.

(iv) If the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may pay the Sponsor's Fee, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by entering into an agreement with the Sponsor and transferring such Incidental Rights and/or IR Virtual Currency to the Sponsor at a value to be determined pursuant to such agreement; *provided* that the Trust shall use Incidental Rights and/or IR Virtual Currency to pay the Sponsor's Fee only if such agreement and transfer do not otherwise conflict with the terms of this Trust Agreement. If the Trust pays the Sponsor's Fee in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of ETH that would otherwise have been used to satisfy such payment shall be correspondingly reduced.

(v) The Sponsor may, from time to time, temporarily waive all or a portion of the Sponsor's Fee in its sole discretion.

(vi) As partial consideration for receipt of the Sponsor's Fee, the Sponsor shall assume and pay all fees and other expenses incurred by the Trust in the ordinary course of its affairs, excluding taxes, but including: (i) the Marketing Fee, (ii) the Administrator Fee, (iii) the Security Vendors Fee, (iv) the Transfer Agent fee, (v) the Trustee fee, (vi) the fees and expenses related to the listing, quotation or trading of the Shares on any Secondary Market (including customary legal, marketing and audit fees and expenses), (vii) ordinary course legal fees and expenses, (viii) audit fees, (ix) regulatory fees, including, if applicable, any fees relating to the registration of the Shares under the Securities Act or the Exchange Act, (x) printing and mailing costs, (xi) costs of maintaining the Trust's website and (xii) applicable license fees (each, a "**Sponsor-paid Expense**" and together, the "**Sponsor-paid Expenses**"), *provided* that any expense that qualifies as an Additional Trust Expense as set forth in Section 6.8(b) shall be deemed to be an Additional Trust Expense and not a Sponsor-paid Expense.

(b) Additional Trust Expenses.

(i) The Trust shall pay any expenses incurred by the Trust in addition to the Sponsor's Fee that are not Sponsor-paid Expenses, including, but not limited to, (a) taxes and governmental charges, (b) expenses and costs of any extraordinary services performed by the Sponsor (or any other service provider) on behalf of the Trust to protect the Trust or the interests of Shareholders (including in connection with any Incidental



Rights and any IR Virtual Currency), (c) any indemnification of the Security Vendors, or other agents, service providers or counterparties of the Trust, and (d) extraordinary legal fees and expenses, including any legal fees and expenses incurred in connection with litigation, regulatory enforcement or investigation matters (collectively, “**Additional Trust Expenses**”).

(ii) To cause the Trust to pay the Additional Trust Expenses, if any, the Sponsor or its delegates shall, instructing the Security Vendors as necessary, (a) withdraw from the ETH Account ETH in such quantity as may be necessary to permit payment of such Additional Trust Expenses and (b) may either (x) cause the Trust (or its delegate) to convert such ETH into U.S. Dollars or other fiat currencies at the Actual Exchange Rate or (y) cause the Trust (or its delegate) to deliver such ETH in kind in satisfaction of such Additional Trust Expenses.

(iii) If the Trust holds any Incidental Rights and/or IR Virtual Currency at any time, the Trust may pay any Additional Trust Expenses, in whole or in part, with such Incidental Rights and/or IR Virtual Currency by entering into an agreement with the relevant payee and transferring such Incidental Rights and/or IR Virtual Currency to that payee at a value to be determined pursuant to such agreement; *provided* that the Trust shall use Incidental Rights and/or IR Virtual Currency to pay Additional Trust Expenses only if such agreement and transfer does not otherwise conflict with the terms of this Trust Agreement. If the Trust pays the Additional Trust Expenses in Incidental Rights and/or IR Virtual Currency, in whole or in part, the amount of ETH that would otherwise have been used to satisfy such payment shall be correspondingly reduced.

(c) The Sponsor or any Affiliate of the Sponsor may be reimbursed only for the actual cost to the Sponsor or such Affiliate of any expenses that it advances on behalf of the Trust for payment of which the Trust is responsible. In addition, payment to the Sponsor or such Affiliate for indirect expenses incurred in performing services for the Trust in its capacity as the Sponsor (or an Affiliate of the Sponsor) of the Trust, such as salaries and fringe benefits of officers and directors, rent or depreciation, utilities and other administrative items generally falling within the category of the Sponsor’s “**overhead**,” is prohibited.

#### SECTION 6.9 *Voluntary Withdrawal of the Sponsor.*

The Sponsor may withdraw voluntarily as the Sponsor of the Trust only upon one hundred and twenty (120) days’ prior written notice to all Shareholders and the Trustee. If the withdrawing Sponsor is the last remaining Sponsor, the Shareholders holding Shares equal to at least a majority (over 50%) of the Shares may vote to elect and appoint, effective as of a date on or prior to the withdrawal, a successor Sponsor who shall carry on the affairs of the Trust. If the Sponsor withdraws and a successor Sponsor is named, the withdrawing Sponsor shall pay all expenses as a result of its withdrawal.

#### SECTION 6.10 *Litigation.*

The Sponsor is hereby authorized to prosecute, defend, settle or compromise actions or claims at law or in equity as may be necessary or proper to enforce or protect the Trust’s interests.

The Sponsor shall satisfy any judgment, decree or decision of any court, board or authority having jurisdiction or any settlement of any suit or claim prior to judgment or final decision thereon, first, out of any insurance proceeds available therefor, next, out of the Trust's assets and, thereafter, out of the assets (to the extent that it is permitted to do so under the various other provisions of this Trust Agreement) of the Sponsor.

#### SECTION 6.11 *Bankruptcy; Merger of the Sponsor.*

(a) The Sponsor shall not cease to be a Sponsor of the Trust merely upon the occurrence of its making an assignment for the benefit of creditors, filing a voluntary petition in bankruptcy, filing a petition or answer seeking for itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any statute, law or regulation, filing an answer or other pleading admitting or failing to contest material allegations of a petition filed against it in any proceeding of this nature or seeking, consenting to or acquiescing in the appointment of a trustee, receiver or liquidator for itself or of all or any substantial part of its properties.

(b) To the fullest extent permitted by law, and on sixty (60) days' prior written notice to the Shareholders of their right to vote thereon, if any such transaction is other than with an affiliated entity, nothing in this Trust Agreement shall be deemed to prevent the merger of the Sponsor with another corporation or other entity, the reorganization of the Sponsor into or with any other corporation or other entity, the transfer of all the capital stock of the Sponsor or the assumption of the rights, duties and liabilities of the Sponsor by, in the case of a merger, reorganization or consolidation, the surviving corporation or other entity by operation of law. Without limiting the foregoing, none of the transactions referenced in the preceding sentence shall be deemed to be a voluntary withdrawal for purposes of Section 6.9 or an Event of Withdrawal for purposes of Section 12.1(a)(iv).

### **ARTICLE VII. THE SHAREHOLDERS**

#### SECTION 7.1 *No Management or Control; Limited Liability.*

The Shareholders shall not participate in the management or control of the Trust nor shall they enter into any transaction on behalf of the Trust or have the power to sign for or bind the Trust, said power being vested solely and exclusively in the Sponsor. Except as provided in Section 7.3 hereof, no Shareholder shall be bound by, or be personally liable for, the expenses, liabilities or obligations of the Trust in excess of its Percentage Interest of the Trust Estate. Except as provided in Section 7.3 hereof, each Share owned by a Shareholder shall be fully paid and no assessment shall be made against any Shareholder. No salary shall be paid to any Shareholder in its capacity as a Shareholder, nor shall any Shareholder have a drawing account or earn interest on its Percentage Interest of the Trust Estate. By the purchase and acceptance or other lawful delivery and acceptance of Shares, each owner of such Shares shall be deemed to be a Shareholder and beneficiary of the Trust and vested with beneficial undivided interest in the Trust to the extent of the Shares owned beneficially by such Shareholder, subject to the terms and conditions of this Trust Agreement.

## SECTION 7.2 Rights and Duties.

The Shareholders shall have the following rights, powers, privileges, duties and liabilities:

(a) The Shareholders shall receive the share of the distributions provided for in this Trust Agreement in the manner and at the times provided for in this Trust Agreement.

(b) Except for any redemption rights provided to Shareholders as described in Article V hereof, Shareholders shall have the right to demand a redemption of their Shares only upon the dissolution and winding up of the Trust and only to the extent of funds available therefor, as provided in Section 12.2. In no event shall a Shareholder be entitled to demand or receive property other than cash upon the dissolution and winding up of the Trust. No Shareholder shall have priority over any other Shareholder as to distributions. The Shareholder shall not have any right to bring an action for partition against the Trust.

(c) Shareholders holding Shares representing at least a majority (over 50%) of the Shares may vote to appoint a successor Sponsor as provided in Section 6.9 or to continue the Trust as provided in Section 12.1(a)(iv).

Except as set forth above, the Shareholders shall have no voting or other rights with respect to the Trust.

## SECTION 7.3 *Limitation of Liability.*

(a) Except as provided in Section 6.7(f) hereof, and as otherwise provided under Delaware law, the Shareholders shall be entitled to the same limitation of personal liability extended to stockholders of private corporations for profit organized under the General Corporation Law of Delaware and no Shareholder shall be liable for claims against, or debts of the Trust in excess of its Percentage Interest of the Trust Estate. In addition, and subject to the exceptions set forth in the immediately preceding sentence, the Trust shall not make a claim against a Shareholder with respect to amounts distributed to such Shareholder or amounts received by such Shareholder upon redemption of such Shareholder's Shares unless, under Delaware law, such Shareholder is liable to repay such amount.

(b) The Trust shall indemnify to the full extent permitted by law and the other provisions of this Trust Agreement, and to the extent of the Trust Estate, each Shareholder against any claims of liability asserted against such Shareholder solely because it is a beneficial owner of one or more Shares as a Shareholder.

(c) Every written note, bond, contract, instrument, certificate or undertaking made or issued by the Sponsor on behalf of the Trust shall give notice to the effect that the same was executed or made by or on behalf of the Trust and that the obligations of such instrument are not binding upon the Shareholders individually but are binding only upon the assets and property of the Trust, and no resort shall be had to the Shareholders' personal property for satisfaction of any obligation or claim thereunder, and appropriate references may be made to this Trust Agreement and may contain any further recital that the Sponsor deems appropriate, but the omission thereof shall not operate to bind the Shareholders individually or otherwise invalidate any such note, bond,

contract, instrument, certificate or undertaking. Nothing contained in this Section 7.3 shall diminish the limitation on the liability of the Trust to the extent set forth in Section 1.9 hereof.

#### SECTION 7.4 *Derivative Actions; Arbitration.*

(a) Subject to any other requirements of applicable law, including Section 3816 of the Delaware Trust Statute, no Shareholder shall have the right, power or authority to bring or maintain a derivative action, suit or other proceeding on behalf of the Trust unless two or more Shareholders who (i) are not Affiliates of one another and (ii) collectively hold at least 10% of the outstanding Shares join in the bringing or maintaining of such action, suit or other proceeding.

(b) Except as to any claims with respect to enforcement of an arbitration award and matters covered by Section 7.4(c), any controversy, claim or dispute arising out of, or relating to, the Trust, this Agreement or the breach thereof, or regarding the interpretation thereof, between a Shareholder and the Trust and/or the Sponsor shall be solely and exclusively settled by binding arbitration conducted in Phoenix, Arizona, in accordance with the rules of the American Arbitration Association then in effect before a single arbitrator appointed in accordance with such rules and applying the laws of the State of Delaware, without regard to the conflict of laws provisions thereof. Judgment upon any award rendered in any such arbitration may be entered and enforcement obtained thereon in any court having jurisdiction. The arbitrator shall have authority to grant any form of appropriate relief (other than punitive damages), whether legal or equitable in nature, including specific performance, subject to the applicable limitations on liability in this Agreement. Each Shareholder agrees to abide by all decisions and awards rendered in such proceedings. Such decisions and awards rendered by the arbitrator shall be final and conclusive. All such controversies, claims or disputes shall be settled in this manner in lieu of any action at law or equity. For the avoidance of doubt, it shall be the Sponsor's duty and responsibility, and not the Trustee's duty and responsibility, to cause the Trust to respond to, defend, participate in, or otherwise act in connection with, any regulatory, administrative, or arbitral proceedings.

(c) Any claims relating to the rights, privileges, liabilities, and indemnities of or relating to the Trustee under this Agreement shall not be subject to Section 7.4(b) and shall instead be adjudicated by the Court of Chancery in the State of Delaware. For the avoidance of doubt, the Trustee shall not have to appear, be present at, or consent to, or cause the Trust to appear, be present at, or consent to, any proceedings or judgments under Section 7.4(b).

#### SECTION 7.5 Appointment of Agents.

(a) By the purchase and acceptance or other lawful delivery, acceptance or holding of the Shares, the Shareholders shall be deemed to agree that the Sponsor may cause the Trust to appoint an agent to act on their behalf in connection with any distribution of Incidental Rights and/or IR Virtual Currency, if the Sponsor has determined in good faith that such appointment is reasonably necessary or in the best interests of the Trust and the Shareholders in order to facilitate the distribution of any Incidental Rights and/or IR Virtual Currency. For the avoidance of doubt, the Sponsor may cause the Trust to appoint the Sponsor or any of its Affiliates to act in such capacity, subject to Section 6.2(a) of this Trust Agreement. Any Person appointed as agent of the

Shareholders pursuant to this Section 7.5(a) (i) shall receive an in-kind distribution of Incidental Rights and/or IR Virtual Currency on behalf of the Shareholders of record with respect to such distribution and (ii) following receipt of any such distribution, shall determine, in such Person's sole discretion and without any direction from the Trust or the Sponsor (in its capacity as Sponsor of the Trust), whether and when to sell the distributed Incidental Rights and/or IR Virtual Currency on behalf of the record date Shareholders.

(b) Any agent appointed pursuant to Section 7.5(a) shall not receive any compensation in connection with its role as agent. The foregoing notwithstanding, any such agent shall be entitled to receive from any distribution of Incidental Rights and/or IR Virtual Currency, Incidental Rights and/or IR Virtual Currency with an aggregate fair market value equal to the amount of administrative and other reasonable expenses incurred by such agent in connection with such in-kind distribution of Incidental Rights and/or IR Virtual Currency, including expenses incurred by such agent in connection with any post-distribution sale of such Incidental Rights and/or Virtual Currency.

#### *SECTION 7.6 Business of Shareholders.*

Except as otherwise specifically provided herein, any of the Shareholders and any shareholder, officer, director, employee or other Person holding a legal or beneficial interest in an entity that is a Shareholder, may engage in or possess an interest in business ventures of every nature and description, independently or with others, and the pursuit of such ventures, even if competitive with the affairs of the Trust, shall not be deemed wrongful or improper.

#### *SECTION 7.7 Authorization of Memorandum.*

Each Shareholder (or any permitted assignee thereof) hereby agrees that the Trust, the Sponsor and the Trustee are authorized to execute, deliver and perform the agreements, acts, transactions and matters contemplated hereby or described in, or contemplated by, the Memorandum on behalf of the Trust without any further act, approval or vote of the Shareholders, notwithstanding any other provision of this Trust Agreement, the Delaware Trust Statute or any applicable law, rule or regulation.

### **ARTICLE VIII. BOOKS OF ACCOUNT AND REPORTS**

#### *SECTION 8.1 Books of Account.*

Proper books of account for the Trust shall be kept and shall be audited annually by an independent certified public accounting firm selected by the Sponsor in its sole discretion, and there shall be entered therein all transactions, matters and things relating to the Trust as are required by the applicable law and regulations and as are usually entered into books of account kept by trusts. Such books of account shall be kept, and the Trust shall report its profits and losses on, the accrual method of accounting for financial accounting purposes on a Fiscal Year basis as described in Article IX. To the fullest extent permitted by law, including Section 3819 of the Delaware Statutory Trust Act, no Shareholder shall have the right to inspect any account, book, or document of the Trust that is not publicly available. The books and records of the Trust may be kept at such place or places as the Sponsor may from time to time determine, except as otherwise required by law.

## SECTION 8.2 *Annual Reports.*

If the Shares are not then listed, quoted or traded on any Secondary Market or registered under the Securities Act or the Exchange Act, the Sponsor shall furnish each Shareholder with an annual report of the Trust within one hundred and eighty (180) calendar days after the Trust's fiscal year (or as soon as reasonably practicable thereafter) including, but not limited to, annual audited financial statements (including a statement of income and statement of financial condition), prepared in accordance with GAAP and accompanied by a report of the independent registered public accounting firm that audited such statements; provided that the first annual report of the Trust shall cover the period from April 12, 2021, through the end of the Trust's second Fiscal Year and shall be furnished within one hundred and eighty (180) calendar days thereafter (or as soon as reasonably practicable thereafter).

If the Shares are then listed, quoted or traded on a Secondary Market or registered under the Securities Act or the Exchange Act, the Sponsor shall prepare and publish the Trust's Annual Reports and Quarterly Reports as required by the rules and regulations of such Secondary Market or the SEC, as applicable.

## SECTION 8.3 *Tax Information.*

Appropriate tax information (adequate to enable each Shareholder to complete and file its U.S. federal tax return) shall be delivered to each Shareholder following the end of each Fiscal Year but, to the extent possible, no later than April 1. All such information shall be prepared, and all of the Trust's tax returns shall be filed, in a manner consistent with the treatment of the Trust as a grantor trust. The Trust's taxable year shall be the calendar year. The Trustee shall comply with all U.S. federal withholding requirements respecting distributions to, or receipts of amounts on behalf of, Shareholders that the Trustee reasonably believes are applicable under the Code. The consent of Shareholders shall not be required for such withholding.

## SECTION 8.4 *Calculation of ETH Holdings.*

On each Business Day, the Sponsor or its delegate shall calculate the Trust's ETH Holdings as of 4:00 p.m. GMT and publish such holdings as of 4:00 p.m., New York time, or as soon as practicable thereafter. In order to calculate the ETH Holdings, the Sponsor shall:

- (a) Determine the ETH Reference Rate as of such Business Day;
- (b) Multiply the ETH Reference Rate by the aggregate number of ETH owned by the Trust as of 4:00 p.m. GMT on the immediately preceding day, less the U.S. Dollar amount payable as the accrued and unpaid Sponsor's Fee as of 4:00 p.m. GMT on the immediately preceding day;
- (c) Add (i) the U.S. Dollar amount of cash receivable under pending Subscriptions, if any, (ii) the U.S. Dollar value of ETH, calculated using the ETH Reference Rate, receivable under pending Subscriptions, if any, determined by multiplying the number of Shares represented by such Subscriptions by the ETH Reference Rate and (iii) the U.S. Dollar amount of early redemption fees receivable, if any;

(d) Subtract the U.S. Dollar amount of accrued and unpaid Additional Trust Expenses, if any;

(e) Subtract the U.S. Dollar value of the ETH, calculated using the ETH Reference Rate, to be distributed under pending redemption orders, if any, determined by multiplying the number of Shares represented by such redemption orders by the ETH Reference Rate (the amount derived from steps 1 through 5 above, the “**ETH Holdings Fee Basis Amount**”); and

(f) Subtract the U.S. Dollar amount of the Sponsor’s Fee that accrues for such Business Day, as calculated based on the ETH Holdings Fee Basis Amount for such Business Day, to the extent applicable.

Notwithstanding the foregoing, (i) in the event that the Sponsor determines that the methodology used to determine the ETH Reference Rate is not an appropriate basis for valuation of the Trust’s ETH, the Sponsor shall use an alternative methodology as set forth in the Memorandum and (ii) in the event that the Trust holds any Incidental Rights and/or IR Virtual Currency, the Sponsor may, at its discretion, include the value of such Incidental Rights and/or IR Virtual Currency in the determination of the Trust’s ETH Holdings, provided that the Sponsor has determined in good faith a method for assigning an objective value to such Incidental Rights and/or IR Virtual Currency.

#### SECTION 8.5 *Maintenance of Records.*

(a) The Sponsor or its delegate shall maintain for a period of at least six Fiscal Years (a) all books of account required by Section 8.1 hereof; (b) a list of the names and last known address of, and number of Shares owned by, all Shareholders; (c) a copy of the Certificate of Trust and all certificates of amendment thereto; (d) executed copies of any powers of attorney pursuant to which any certificate has been executed; (e) copies of the Trust’s U.S. federal, state and local income tax returns and reports, if any; (f) copies of any effective written Trust Agreements, including any amendments thereto; and (g) any financial statements of the Trust.

(b) The Sponsor or its delegate may keep and maintain the books and records of the Trust in paper, magnetic, electronic or other format as the Sponsor may determine in its sole discretion, *provided* that the Sponsor shall use reasonable care to prevent the loss or destruction of such records. If there is a conflict between this Section 8.5 and the rules and regulations of any Secondary Market on which the Shares are listed, quoted or traded or, if applicable, the SEC with respect to the maintenance of records, the records shall be maintained pursuant to the rules and regulations of such Secondary Market or the SEC.

### ARTICLE IX. FISCAL YEAR

#### SECTION 9.1 *Fiscal Year.*

The fiscal year of the Trust for financial reporting purposes (the “**Fiscal Year**”) (i) with respect to the first Fiscal Year, began on April 12, 2021, and shall end on June 30, 2021, provided that the annual report covering such Fiscal Year shall be furnished as provided in Section 8.5 and

(ii) thereafter, shall begin on the 1<sup>st</sup> day of July and end on the 30<sup>th</sup> day of June of each year. The Fiscal Year in which the Trust shall terminate shall end on the date of such termination.

## **ARTICLE X. AMENDMENT OF TRUST AGREEMENT; MEETINGS**

### **SECTION 10.1 *Amendments to the Trust Agreement.***

(a) Amendment Generally.

(i) Except as otherwise specifically provided in this Section 10.1, the Sponsor, in its sole discretion and without Shareholder consent, may amend or otherwise supplement this Trust Agreement by making an amendment, an agreement supplemental hereto, or an amended and restated declaration of trust and trust agreement. Any such restatement, amendment and/or supplement hereto shall be effective on such date as designated by the Sponsor in its sole discretion; provided that the Sponsor shall not be permitted to make any such amendment, or otherwise supplement this Trust Agreement, if such amendment or supplement would permit the Sponsor, the Trustee or any other Person to vary the investment of the Shareholders (within the meaning of Treasury Regulations Section 301.7701-4(c)) or would otherwise adversely affect the status of the Trust as a grantor trust for U.S. federal income tax purposes; provided, however, that the Sponsor may amend or eliminate Section 7.4(b) without Shareholder consent, and for the avoidance of doubt, any such amendment by the Sponsor shall be conclusively deemed to not materially adversely affect the interests of the Shareholders..

(ii) Any amendments to this Trust Agreement which materially adversely affects the interests of the Shareholders shall occur only upon the vote of Shareholders holding Shares equal to at least a majority (over 50%) of the Shares (not including Shares held by the Sponsor and its Affiliates). For all purposes of this Section 10.1, a Shareholder shall be deemed to consent to a modification or amendment of this Trust Agreement if the Sponsor has notified such Shareholder in writing of the proposed modification or amendment and the Shareholder has not, within twenty (20) calendar days of such notice, notified the Sponsor in writing that the Shareholder objects to such modification or amendment. Notwithstanding anything to the contrary herein, notice pursuant to this Section 10.1 may be given by the Sponsor to the Shareholder by email or other electronic transmission and shall be deemed given upon receipt without requirement of confirmation.

(b) Without limitation of the foregoing, the Sponsor may, without the approval of the Shareholders, amend the provisions of this Trust Agreement if the Trust is advised at any time by the Trust's accountants or legal counsel that the amendments made are necessary to ensure that the Trust's status as a grantor trust will be respected for U.S. federal income tax purposes.

(c) No amendment affecting the rights or duties of the Trustee shall be binding upon or effective against the Trustee unless consented to by the Trustee in writing. No amendment shall be made to this Trust Agreement without the consent of the Trustee if the Trustee reasonably believes that such amendment adversely affects any of its rights, duties or liabilities. The Trustee shall be under no obligation to execute any amendment to the Trust Agreement or to any agreement



to which the Trust is a party until it has received an instruction letter from the Sponsor, in form and substance reasonably satisfactory to the Trustee (i) directing the Trustee to execute such amendment, (ii) representing and warranting to the Trustee that such execution is authorized and permitted by the terms of the Trust Agreement and (if applicable) such other agreement to which the Trust is a party and does not conflict with or violate any other agreement to which the Trust is a party and (iii) confirming that such execution and acts related thereto are covered by the indemnity provisions of the Trust Agreement in favor of the Trustee and do not adversely affect the Trustee.

(d) Upon amendment of this Trust Agreement, the Certificate of Trust shall also be amended, if required by the Delaware Trust Statute, to reflect such change. At the expense of the Sponsor, the Trustee shall execute and file any amendment to the Certificate of Trust if so directed by the Sponsor.

(e) To the fullest extent permitted by law, no provision of this Trust Agreement may be amended, waived or otherwise modified orally but only by a written instrument adopted in accordance with this Section 10.1.

#### SECTION 10.2 *Meetings of the Trust.*

Meetings of the Shareholders may be called by the Sponsor in its sole discretion. The Sponsor shall furnish written notice to all Shareholders thereof of the meeting and the purpose of the meeting, which shall be held on a date, not less than ten (10) nor more than sixty (60) days after the date of mailing of said notice, at a reasonable time and place. Any notice of meeting shall be accompanied by a description of the action to be taken at the meeting. Shareholders may vote in person or by proxy at any such meeting.

#### SECTION 10.3 *Action without a Meeting.*

Any action required or permitted to be taken by Shareholders by vote may be taken without a meeting by written consent setting forth the actions so taken. Such written consents shall be treated for all purposes as votes at a meeting. If the vote or consent of any Shareholder to any action of the Trust or any Shareholder, as contemplated by this Trust Agreement, is solicited by the Sponsor, the solicitation shall be effected by notice to each Shareholder given in the manner provided in Section 13.6. The vote or consent of each Shareholder so solicited shall be deemed conclusively to have been cast or granted as requested in the notice of solicitation, whether or not the notice of solicitation is actually received by that Shareholder, unless the Shareholder expresses written objection to the vote or consent by notice given in the manner provided in Section 13.6 and actually received by the Trust within twenty (20) days after the notice of solicitation is sent. The Covered Persons dealing with the Trust shall be entitled to act in reliance on any vote or consent that is deemed cast or granted pursuant to this Section 10.3 and shall be fully indemnified by the Trust in so doing. Any action taken or omitted in reliance on any such deemed vote or consent of one or more Shareholders shall not be void or voidable by reason of any communication made by or on behalf of all or any of such Shareholders in any manner other than as expressly provided in Section 13.6.

## ARTICLE XI. TERM

### SECTION 11.1 *Term.*

The term for which the Trust is to exist shall be perpetual, unless terminated pursuant to the provisions of Article XII hereof or as otherwise provided by law.

## ARTICLE XII. TERMINATION

### SECTION 12.1 *Events Requiring Dissolution of the Trust.*

(a) The Trust shall dissolve at any time upon the happening of any of the following events:

(i) a U.S. federal or state regulator requires the Trust to shut down or forces the Trust to liquidate its ETH or seizes, impounds or otherwise restricts access to the Trust Estate;

(ii) any ongoing event exists that either prevents the Trust from making or makes impractical the Trust's reasonable efforts to make a fair determination of the ETH Reference Rate;

(iii) any ongoing event exists that either prevents the Trust from converting or makes impractical the Trust's reasonable efforts to convert ETH to U.S. Dollars; or

(iv) a certificate of dissolution or revocation of the Sponsor's charter is filed (and ninety (90) days have passed after the date of notice to the Sponsor of revocation without a reinstatement of the Sponsor's charter) or the withdrawal, removal, adjudication or admission of bankruptcy or insolvency of the Sponsor (each of the foregoing events an **"Event of Withdrawal"**) has occurred unless (i) at the time there is at least one remaining Sponsor or

(v) within ninety (90) days of such Event of Withdrawal Shareholders holding at least a majority (over 50%) of the Shares agree in writing to continue the affairs of the Trust and to select, effective as of the date of such event, one or more successor Sponsors.

(b) The Sponsor may, in its sole discretion, dissolve the Trust if any of the following events occur:

(i) the SEC determines that the Trust is an investment company required to be registered under the Investment Company Act of 1940;

(ii) the CFTC determines that the Trust is a commodity pool under the Commodity Exchange Act;

(iii) the Trust is determined to be a **"money service business"** under the regulations promulgated by FinCEN under the authority of the U.S. Bank Secrecy Act and is required to comply with certain FinCEN regulations thereunder;

(iv) the Trust is required to obtain a license or make a registration under any state law regulating money transmitters, money services businesses, providers of prepaid or stored value or similar entities, or virtual currency businesses;

(v) the Trust becomes insolvent or bankrupt;

(vi) a Security Vendor resigns or is removed without replacement;

(vii) all of the Trust's ETH are sold;

(viii) the Sponsor determines that the size of the Trust Estate in relation to the expenses of the Trust makes it unreasonable or imprudent to continue the affairs of the Trust;

(ix) the Sponsor receives notice from the IRS or from counsel for the Trust or the Sponsor that the Trust fails to qualify for treatment, or will not be treated, as a grantor trust under the Code;

(x) the Trustee notifies the Sponsor of the Trustee's election to resign and the Sponsor does not appoint a successor trustee within one hundred and eighty (180) days; or

(xi) the Sponsor determines, in its sole discretion, that it is desirable or advisable for any reason to discontinue the affairs of the Trust.

The death, legal disability, bankruptcy, insolvency, dissolution, or withdrawal of any Shareholder (as long as such Shareholder is not the sole Shareholder of the Trust) shall not result in the termination of the Trust, and such Shareholder, his or her estate, custodian or personal representative shall have no right to a redemption of such Shareholder's Shares. Each Shareholder (and any assignee thereof) expressly agrees that in the event of his or her death, he or she waives on behalf of himself or herself and his or her estate, and he or she directs the legal representative of his or her estate and any person interested therein to waive the furnishing of any inventory, accounting or appraisal of the Trust Estate and any right to an audit or examination of the books of account for the Trust, except for such rights as are set forth in Article VIII hereof relating to the books of account and reports of the Trust.

## SECTION 12.2 *Distributions on Dissolution.*

Upon the dissolution of the Trust, the Sponsor (or in the event there is no Sponsor, such person (the "**Liquidating Trustee**") as the majority in interest of the Shareholders may propose and approve, which in no event shall be the Trustee, unless the Trustee shall have agreed in writing in its sole discretion) shall take full charge of the Trust Estate. Any Liquidating Trustee so appointed shall have and may exercise, without further authorization or approval of any of the parties hereto, all of the powers conferred upon the Sponsor under the terms of this Trust Agreement, subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers, and provided that the Liquidating Trustee shall not have general liability for the acts, omissions, obligations and expenses of the Trust. Thereafter, in accordance with Section 3808(e) of the Delaware Trust Statute, the affairs of the Trust shall be wound up and all assets

owned by the Trust shall be liquidated as promptly as is consistent with obtaining the fair value thereof, and the proceeds therefrom shall be applied and distributed in the following order of priority: (a) to the expenses of liquidation and termination and to creditors, including Shareholders who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the Trust (whether by payment or the making of reasonable provision for payment thereof) other than liabilities for distributions to Shareholders, and (b) to the Shareholders *pro rata* in accordance with their respective Percentage Interests of the Trust Estate.

### SECTION 12.3 *Termination; Certificate of Cancellation.*

Following the dissolution and distribution of the assets of the Trust, the Trust shall terminate and the Sponsor or the Liquidating Trustee, as the case may be, shall instruct the Trustee in writing to execute and cause such certificate of cancellation of the Certificate of Trust to be filed in accordance with the Delaware Trust Statute at the expense of the Sponsor or the Liquidating Trustee, as the case may be. Notwithstanding anything to the contrary contained in this Trust Agreement, the existence of the Trust as a separate legal entity shall continue until the filing of such certificate of cancellation.

## ARTICLE XIII. MISCELLANEOUS

### SECTION 13.1 *Governing Law.*

The validity and construction of this Trust Agreement and all amendments hereto shall be governed by the laws of the State of Delaware, and the rights of all parties hereto and the effect of every provision hereof shall be subject to and construed according to the laws of the State of Delaware without regard to the conflict of laws provisions thereof; *provided, however*, that causes of action for violations of U.S. federal or state securities laws shall not be governed by this Section 13.1, and *provided*, further, that the parties hereto intend that the provisions hereof shall control over any contrary or limiting statutory or common law of the State of Delaware (other than the Delaware Trust Statute and Del. C. §3328) and that, to the maximum extent permitted by applicable law, there shall not be applicable to the Trust, the Trustee, the Sponsor, the Shareholders or this Trust Agreement any provision of the laws (statutory or common) of the State of Delaware (other than the Delaware Trust Statute and 12 Del. C. §3328) pertaining to trusts that relate to or regulate in a manner inconsistent with the terms hereof: (a) the filing with any court or governmental body or agency of trustee accounts or schedules of trustee fees and charges, (b) affirmative requirements to post bonds for trustees, officers, agents, or employees of a trust, (c) the necessity for obtaining court or other governmental approval concerning the acquisition, holding or disposition of real or personal property, (d) fees or other sums payable to trustees, officers, agents or employees of a trust, (e) the allocation of receipts and expenditures to income or principal, (f) restrictions or limitations on the permissible nature, amount or concentration of trust investments or requirements relating to the titling, storage or other manner of holding of trust assets or (g) the establishment of fiduciary or other standards or responsibilities or limitations on the acts or powers of trustees or managers that are inconsistent with the limitations on liability or authorities and powers of the Trustee or the Sponsor set forth or referenced in this Trust Agreement. Section 3540 of Title 12 of the Delaware Code shall not apply to the Trust. The Trust shall be of the type commonly called a “**statutory trust**,” and without limiting the provisions hereof, but subject to Section 1.5 and Section 1.6, the Trust may exercise all powers that are

ordinarily exercised by such a statutory trust under Delaware law. Subject to Section 1.5 and Section 1.6, the Trust specifically reserves the right to exercise any of the powers or privileges afforded to statutory trusts and the absence of a specific reference herein to any such power, privilege or action shall not imply that the Trust may not exercise such power or privilege or take such actions.

#### SECTION 13.2 Provisions In Conflict With Law or Regulations.

(a) The provisions of this Trust Agreement are severable, and if the Sponsor shall determine, with the advice of counsel, that any one or more of such provisions (the “**Conflicting Provisions**”) are in conflict with the Code, the Delaware Trust Statute, the Securities Act, if applicable, or other applicable U.S. federal or state laws or the rules and regulations of any Secondary Market, the Conflicting Provisions shall be deemed never to have constituted a part of this Trust Agreement, even without any amendment of this Trust Agreement pursuant to this Trust Agreement; *provided, however*, that such determination by the Sponsor shall not affect or impair any of the remaining provisions of this Trust Agreement or render invalid or improper any action taken or omitted prior to such determination. No Sponsor or Trustee shall be liable for making or failing to make such a determination.

(b) If any provision of this Trust Agreement shall be held invalid or unenforceable in any jurisdiction, such holding shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Trust Agreement in any jurisdiction.

#### SECTION 13.3 *Counsel to the Trust.*

Counsel to the Trust may also be counsel to the Sponsor and its Affiliates. The Sponsor may execute on behalf of the Trust and the Shareholders any consent to the representation of the Trust that counsel may request pursuant to the Pennsylvania Rules of Professional Conduct or similar rules in any other jurisdiction (the “**Rules**”). The Shareholders acknowledge that the Trust has selected Royer Cooper Cohen Braunfeld LLC as legal counsel to the Trust (“**Trust Counsel**”). Trust Counsel shall not represent any Shareholder in the absence of a clear and explicit agreement to such effect between the Shareholder and Trust Counsel (and that only to the extent specifically set forth in that agreement), and in the absence of any such agreement Trust Counsel shall owe no duties directly to a Shareholder. Each Shareholder agrees that, in the event any dispute or controversy arises between any Shareholder and the Trust, or between any Shareholder or the Trust, on the one hand, and the Sponsor (or an Affiliate thereof that Trust Counsel represents), on the other hand, that Trust Counsel may represent either the Trust or the Sponsor (or its Affiliate), or both, in any such dispute or controversy to the extent permitted by the Rules, and each Shareholder hereby consents to such representation. Each Shareholder further acknowledges that, regardless of whether Trust Counsel has in the past represented any Shareholder with respect to other matters, Trust Counsel has not represented the interests of any Shareholder in the preparation and negotiation of this Trust Agreement.

#### SECTION 13.4 *Merger and Consolidation.*

Subject to the provisions of Section 1.5 and Section 1.6, the Sponsor may cause (i) the Trust to be merged into or consolidated with, converted to or to sell all or substantially all of its assets to, another trust or entity; (ii) the Shares of the Trust to be converted into beneficial interests in another statutory trust (or series thereof); or (iii) the Shares of the Trust to be exchanged for shares in another trust or company under or pursuant to any U.S. state or federal statute to the extent permitted by law. For the avoidance of doubt, subject to the provisions of Section 1.5, the Sponsor, with written notice to the Shareholders, may approve and effect any of the transactions contemplated under (i), (ii) and (iii) above without any vote or other action of the Shareholders.

#### SECTION 13.5 *Construction.*

In this Trust Agreement, unless the context otherwise requires, words used in the singular or in the plural include both the plural and singular and words denoting any gender include all genders. The title and headings of different parts are inserted for convenience and shall not affect the meaning, construction or effect of this Trust Agreement.

#### SECTION 13.6 *Notices.*

All notices or communications under this Trust Agreement (other than notices of pledge or encumbrance of Shares, and reports and notices by the Sponsor to the Shareholders) shall be in writing and shall be effective upon personal delivery, or if sent by mail, postage prepaid, or if sent electronically, by email, or by overnight courier; and addressed, in each such case, to the address set forth in the books and records of the Trust or such other address as may be specified in writing, of the party to whom such notice is to be given, upon the deposit of such notice in the United States mail, upon transmission and electronic confirmation thereof or upon deposit with a representative of an overnight courier, as the case may be. Notices of pledge or encumbrance of Shares shall be effective upon timely receipt by the Sponsor in writing. Any reports or notices by the Sponsor to the Shareholders which are given electronically shall be effective upon receipt without requirement of confirmation.

All notices that are required to be provided to the Trustee shall be sent to:

Delaware Trust Company  
Attention: Corporate Trust Administration  
251 Little Falls Drive  
Wilmington, DE 19808

All notices that the Trustee is required to provide shall be sent to:

if to the Trust, at

IDX Risk-Managed Ethereum Trust  
2201 E Camelback Road  
Suite 605  
Phoenix, AZ 85016  
Attention: IDX Digital Assets, LLC

if to the Sponsor, at

IDX Digital Assets, LLC  
2201 E Camelback Road  
Suite 605  
Phoenix, AZ 85016  
Attention: Andrew Swan

#### SECTION 13.7 *Confidentiality.*

(a) All communications between the Sponsor or the Trustee on the one hand, and any Shareholder, on the other, shall be presumed to include confidential, proprietary, trade secret and other sensitive information. Unless otherwise agreed to in writing by the Sponsor, each Shareholder shall maintain the confidentiality of information that is non-public information furnished by the Sponsor regarding the Sponsor and the Trust received by such Shareholder pursuant to this Trust Agreement in accordance with such procedures as it applies generally to information of this kind (including procedures relating to information sharing with Affiliates), except (i) as otherwise required by governmental regulatory agencies (including tax authorities in connection with an audit or other similar examination of such Shareholder), self-regulating bodies, law, legal process, or litigation in which such Shareholder is a defendant, plaintiff or other named party or (ii) to directors, employees, representatives and advisors of such Shareholder and its Affiliates who need to know the information and who are informed of the confidential nature of the information and agree to keep it confidential. Without limiting the foregoing, each Shareholder acknowledges that notices and reports to Shareholders hereunder may contain material non-public information and agrees not to use such information other than in connection with monitoring its investment in the Trust and agrees not to trade in securities on the basis of any such information.

(b) In the event that the Sponsor determines in good faith that (i) a Shareholder has violated or is reasonably likely to violate the provisions of this Section 13.7 or (ii) a Shareholder that is subject to FOIA, any state public records access law or any other law or statutory or regulatory requirement that is similar to FOIA in intent or effect (each, a “**Public Access Law**”) is reasonably likely to be subject to a disclosure request pursuant to a Public Access Law that would result in the disclosure by such Shareholder of confidential information regarding the Trust, the Sponsor may (x) provide to such Shareholder access to such information only on the Trust’s website in password protected, non-downloadable, non-printable format and (y) require such Shareholder to return any copies of information provided to it by the Sponsor or the Trust.

(c) If any Public Access Law would potentially cause a Shareholder or any of its Affiliates to disclose information relating to the Trust, its Affiliates and/or any investment of the Trust, then in addition to compliance with the notice requirements set forth in Section 13.7(a) above, such Shareholder shall take commercially reasonable steps to oppose and prevent the requested disclosure unless (i) such Shareholder is advised by counsel that there exists no reasonable basis on which to oppose such disclosure or (ii) the Sponsor does not object in writing to such disclosure within ten (10) days (or such lesser time period as stipulated by the applicable law) of such notice. Each Shareholder acknowledges and agrees that in such event, notwithstanding any other provision of this Trust Agreement, the Sponsor may, in order to prevent any such potential disclosure that the Sponsor determines in good faith is likely to occur, withhold

all or any part of the information otherwise to be provided to such Shareholder; *provided*, that the Sponsor shall not withhold any such information if a Shareholder confirms in writing to the Sponsor that compliance with the procedures provided for in Section 13.7(b) above is legally sufficient to prevent such potential disclosure.

(d) A Shareholder may, by giving written notice to the Sponsor, elect not to receive copies of any document, report or other information that such Shareholder would otherwise be entitled to receive pursuant to this Trust Agreement and is not required by applicable law to be delivered. The Sponsor agrees that it shall make any such documents available to such Shareholder at the Sponsor's offices.

(e) Notwithstanding anything in this Trust Agreement to the contrary, each Shareholder and each Shareholder's employees, representatives or other agents are authorized to disclose to any and all Persons, without limitation of any kind, the tax treatment and tax structure of the Trust and any transaction entered into by the Trust and all materials of any kind (including opinions or other tax analyses) relating to such tax treatment or tax structure that are provided to such Shareholder, except for any information identifying the Sponsor, the Trust, the Trustee or their respective advisors, affiliates, officers, directors, members, employees and principals or (except to the extent relevant to such tax structure or tax treatment) any nonpublic commercial or financial information.

(f) Any obligation of a Shareholder pursuant to this Section 13.7 may be waived by the Sponsor in its sole discretion.

(g) Each Shareholder acknowledges and agrees that (i) the restrictions contained in this Section 13.7 are necessary for the protection of the affairs and goodwill of the Sponsor, the Trustee, the Trust and their Affiliates and each Shareholder considers such restrictions to be reasonable for such purpose, (ii) the misappropriation or unauthorized disclosure of confidential information is likely to cause substantial and irreparable damage to the Sponsor, the Trustee, the Trust and their Affiliates and (iii) damages may not be an adequate remedy for breach of this Section 13.7. Accordingly, the Sponsor, the Trustee, the Trust and their Affiliates shall be entitled to injunctive and other equitable relief, in addition to all other remedies available to them at law or at equity, and no proof of special damages shall be necessary for the enforcement of this Section 13.7.

#### SECTION 13.8 *Counterparts; Electronic Signatures.*

This Trust Agreement may be executed in one or more counterparts (including those by facsimile or other electronic means), all of which shall constitute one and the same instrument binding on all of the parties hereto, notwithstanding that all parties are not signatory to the original or the same counterpart. This Trust Agreement, to the extent signed and delivered by means of a facsimile machine or other electronic transmission, shall be treated in all manner and respects as an original agreement and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person.

#### SECTION 13.9 *Binding Nature of Trust Agreement*

The terms and provisions of this Trust Agreement shall be binding upon and inure to the benefit of the heirs, custodians, executors, estates, administrators, personal representatives,



successors and permitted assigns of the respective Shareholders. For purposes of determining the rights of any Shareholder or assignee hereunder, the Trust and the Sponsor may rely upon the Trust records as to who are Shareholders and permitted assignees, and all Shareholders and assignees agree that the Trust and the Sponsor, in determining such rights, shall rely on such records and that Shareholders and their assignees shall be bound by such determination.

**SECTION 13.10 *No Legal Title to Trust Estate.***

Subject to the provisions of Section 1.7 in the case of the Sponsor, the Shareholders shall not have legal title to any part of the Trust Estate.

**SECTION 13.11 *Creditors.***

No creditors of any Shareholders shall have any right to obtain possession of, or otherwise exercise legal or equitable remedies with respect to the Trust Estate.

**SECTION 13.12 *Integration.***

This Trust Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements and understandings pertaining thereto.

**SECTION 13.13 *Goodwill; Use of Name.***

No value shall be placed on the name or goodwill of the Trust, which shall belong exclusively to IDX Digital Assets, LLC.

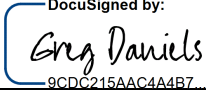
**SECTION 13.14 *Compliance with Applicable Law.***

Each Shareholder agrees to use its commercially reasonable efforts, upon reasonable request by the Sponsor, to cooperate with the Sponsor in complying with the applicable provisions of any material applicable law. Notwithstanding any other provision of this Trust Agreement to the contrary, the Sponsor, in its own name and on behalf of the Trust, shall be authorized without the consent of any Person, including any Shareholder, to take such action as in its sole discretion it deems necessary or advisable to comply with any anti-money laundering or anti-terrorist laws, rules, regulations, directives or special measures.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the undersigned have duly executed this Second Amended and Restated Declaration of Trust and Trust Agreement as of the day and year first above written.

**DELAWARE TRUST COMPANY**, as Trustee

By:  DocuSigned by:  
9CDC215AAC4A4B7...  
Name: Greg Daniels  
Title: Assistant Vice President

**IDX DIGITAL ASSETS, LLC**, as Sponsor

By:  DocuSigned by:  
29F214D419A3442...  
Name: Andrew Michael Swan  
Title: Chief Executive Officer

**EXHIBIT A**  
**CERTIFICATE OF TRUST**

**CERTIFICATE OF TRUST**  
**OF**  
**IDX RISK-MANAGED ETHEREUM TRUST**

THIS Certificate of Trust of IDX Risk-Managed Ethereum Trust (the “Trust”) is being duly executed and filed on behalf of the Trust by the undersigned, as trustee, to form a statutory trust under the Delaware Statutory Trust Act (12 Del. C. § 3801 et seq.) (the “Act”).

1.     Name. The name of the statutory trust formed by this Certificate of Trust is IDX Risk-Managed Ethereum Trust.

2.     Delaware Trustee. The name and address of the trustee of the Trust having a principal place of business in the State of Delaware are Delaware Trust Company, 251 Little Falls Drive, Wilmington, DE 19808, Attn: Corporate Trust.

3.     Effective Date. This Certificate of Trust shall be effective upon filing.

IN WITNESS WHEREOF, the undersigned trustee has duly executed this Certificate of Trust in accordance with Section 3811(a)(1) of the Act.

DELAWARE TRUST COMPANY, not in its individual  
capacity but solely as trustee

By: /s/ Benjamin L. Hancock  
Name: Benjamin Hancock  
Title: Assistant Vice President