

NOTICE FOR INVESTORS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached document and you are therefore advised to read this disclaimer page carefully before reading, accessing or making any other use of the attached document. In reading or accessing the attached document, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access and you acknowledge that the Swiss Shakti Foundation, its affiliates and others will rely upon the truth and accuracy of the following representations, acknowledgements and agreements. **IF YOU DO NOT AGREE TO THE TERMS DESCRIBED IN THIS DISCLAIMER, YOU MAY NOT OPEN, READ, ACCESS OR MAKE ANY OTHER USE OF THE ATTACHED DOCUMENT.**

NOTHING IN THIS ELECTRONIC TRANSMISSION, THE ATTACHED DOCUMENT AND/OR ANY RELATED TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

The securities described in the attached document (the “Notes”) have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities law, and are being offered and sold outside the United States to non-U.S. persons (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) only in reliance on Regulation S, and are intended to be exempt from Section 5 of the U.S. Securities Act and the accompanying registration requirements. If you are in the United States or are a U.S. person (as such term is defined in Regulation S), you should not open the attached document.

The attached document is being furnished to you solely for your information and may not be forwarded, reproduced, redistributed or passed on in whole or in part, directly or indirectly, to any other person. The distribution of the attached document in certain jurisdictions may be restricted by law and persons who come into possession of the attached document should inform themselves about, and observe any such restrictions. Failure to comply with this notice may result in a violation of the U.S. Securities Act, or the applicable laws of other jurisdictions.

Confirmation of Your Representation: This electronic transmission and the attached document are delivered to you on the basis that you are deemed to have represented to the Swiss Shakti Foundation and any dealer(s) appointed in connection with the issuance program described in the attached document and/or the issuance of any Notes issued thereunder (the “Dealers”) that you understand and agree to the terms set out herein and you are a non-U.S. person that is outside the United States for the purposes of Regulation S. You shall also be deemed to have represented to the Swiss Shakti Foundation and each of the Dealers, if any, that you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver the attached document, electronically or otherwise, to any other person. If you receive the attached document by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the “Reply” function on your e-mail software, will be ignored or rejected. If you receive the attached document in electronic format by e-mail, your use of such attached document in electronic format and e-mail is at your own risk and it is your responsibility to take precautions to ensure that each is free from viruses and other items of a destructive nature.

If a jurisdiction requires that the offering to which this electronic transmission and the attached document relates be made by a licensed broker or dealer and any Dealer or any affiliate of a Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Dealer or affiliate on behalf of the Swiss Shakti Foundation in such jurisdiction.

The attached document has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Swiss Shakti Foundation nor any director, officer, employee or agent of it, nor any affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the attached document distributed to you in electronic format and any hard copy version that will be made available to you by the Swiss Shakti Foundation upon request.

NOT FOR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN OR INTO ANY JURISDICTION IN WHICH OFFERS OR SALES OF NOTES WOULD BE PROHIBITED BY LAW.



SWISS SHAKTI FOUNDATION

(a foundation (Stiftung) operating under the laws of Switzerland)

SXE Digital SMART Note Issuance Program

Under this issuance program (the “**Program**”), the Swiss Shakti Foundation, a foundation (*Stiftung*) operating under the laws of Switzerland (the “**Swiss-ShaktiFDN**” and, in its capacity as issuer of Notes (as defined below), the “**Issuer**”), may from time to time issue SXE Digital SMART Notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below), if any, or the relevant investor(s).

The Notes will be issued in series (each, a “**Series**”). Each Series may consist of one or more tranches of Notes issued on different issue dates (each a “**Tranche**”). For the issuance of each Tranche of Notes, Final Terms specific to such Tranche of Notes (with respect to such Tranche, the “**Final Terms**”) will be prepared. Potential investors should read this Base Prospectus and the applicable Final Terms carefully before investing in any Notes. The terms and conditions of any particular Tranche of Notes (with respect to such Tranche, the “**Terms and Conditions of the Notes**”) consist of the General Terms and Conditions of the Notes beginning on page 20 of this Base Prospectus (the “**General Terms and Conditions**”), as completed, supplemented, modified and/or replaced by the terms set forth in Part A of the applicable Final Terms.

The Notes will constitute direct, unconditional and unsubordinated obligations of the Issuer, as more particularly described in Condition 3 (*Status and Collateralization*) in the General Terms and Conditions. In addition, 90% of the net proceeds from the issuance of the Notes of each Tranche will be converted (if necessary) into USD and initially deposited in one or more deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada and established by the Issuer’s wholly-owned subsidiary, the Swiss Shakti Foundation, which is a public benefit non-profit corporation established under the laws of Wyoming in the United States (the “**Security Provider**”), which account(s) will be designated as being exclusive to the Series of which such Tranche forms a part and managed by an Investment Manager (as defined below), or otherwise invested, in accordance with the Fund Management Framework (as defined below) (see Condition 9 (*Use of Proceeds and Relevant Accounts*) in the General Terms and Conditions). The Notes of the relevant Series will be secured by a security interest in such accounts, as more particularly described in Condition 3 (*Status and Collateralization*) in the General Terms and Conditions.

An investment in Notes involves certain risks. For a discussion of these risks, please see “Risk Factors” beginning on page 2 of this Base Prospectus.

This Base Prospectus has been approved as a base prospectus within the meaning of article 45 of the Swiss Financial Services Act of June 15, 2018, as amended (the “**FinSA**”) by the Prospectus Review Office of BX Swiss AG in its capacity as review body pursuant to article 52 of the FinSA (in such capacity, the “**Swiss Review Body**”) on March 5, 2025. In respect of any Tranche of Notes to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the applicable Final Terms), together with the applicable Final Terms, will constitute the prospectus for purposes of the FinSA.

Each Series of Notes may be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer, if any, or the relevant investor(s) or be unlisted.

The Issuer accepts responsibility for the content of this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Program and declares that the information contained in this Base Prospectus is, to the best of its knowledge, correct and no material facts or circumstances have been omitted from this Base Prospectus.

The Issuer has not authorized the making or provision of any representation or information regarding the Issuer or the Notes other than as contained in this Base Prospectus or as approved for such purpose by the Issuer. Any such representation or information should not be relied upon as having been authorized by the Issuer or by any dealer(s) appointed in connection with the Program and/or the issuance of any Notes issued thereunder (collectively, the “**Dealers**”).

Neither this Base Prospectus nor any other information supplied in connection with the Program or any Notes: (i) is intended to provide the basis of any credit or other evaluation; or (ii) should be considered as a recommendation, investment advice, or as constituting an invitation or offer by the Issuer or any Dealer, that any recipient of this Base Prospectus or any other information supplied in connection with the Program or any Notes, should subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and as to the appropriateness and/or suitability of an investment in the Notes. Neither this Base Prospectus nor any other information supplied in connection with the Program or the issue of any Notes constitutes an offer by or on behalf of the Issuer or any Dealer to any person to subscribe for or to purchase any Notes.

The distribution of this Base Prospectus and any Final Terms and the offer, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Neither the Issuer nor the Dealer(s), if any, represent that this Base Prospectus or any Final Terms may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer that is intended to permit a public offering of any Notes or distribution of this Base Prospectus or any Final Terms in any jurisdiction where action for that purpose is required other than Switzerland. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any Final Terms nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons who come into possession of this Base Prospectus are required by the Issuer and the Dealer(s), if any, to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Dealer shall have responsibility therefor.

Prospective investors should satisfy themselves that they understand all of the risks associated with making investments in the Notes. If a prospective investor is in any doubt whatsoever as to the risks involved in investing in the Notes, he or she should consult his or her professional advisers.

An investment in the Notes is only suitable for financially sophisticated investors who are capable of evaluating the merits and risks of such investment and who have sufficient resources to be able to bear any losses which may result therefrom.

The Notes have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), or any state securities law. The Notes are being offered and sold outside the United States to non-U.S. persons (as defined in Regulation S under the U.S. Securities Act (“Regulation S”)) only in reliance on Regulation S, as further described, together with other restrictions on offers, sales and deliveries of Notes, in the section of this Base Prospectus titled “*Selling Restrictions*”, and are intended to be exempt from Section 5 of the U.S. Securities Act and the accompanying registration requirements.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Base Prospectus contains or incorporates statements that constitute “forward-looking statements”. Such forward looking statements may include, but are not limited to, statements relating to the Issuer’s plans, targets, goals, or prospects, the potential effect of certain contingencies on the Issuer, or expectations or plans relating to the Project, including the acceptance of SXE as a form of payment and of USD 5.00 per SXE as its accepted value, and the assumptions underlying such statements. Words such as “anticipates”, “estimates”, “expects”, “believes”, “intends”, “plans”, “aims”, “may”, “will”, “could” and similar expressions generally identify forward-looking statements but are not the exclusive means of identifying such forward-looking statements.

By their nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that prospects, predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. The Issuer cautions potential investors that a number of important factors could cause results to differ materially from the plans, targets, goals or prospects expressed in such forward-looking statements. When evaluating forward-looking statements, potential investors in Notes should carefully consider the foregoing, as well as the risks factors identified in the section of this Base Prospectus titled “*Risk Factors*” and other information contained or incorporated by reference herein.

Except as required by the FinSA or other applicable securities laws, the Issuer does not undertake an obligation to update any forward-looking statements contained or incorporated by reference herein after the date hereof, even if new information, future events or other circumstances have made such statements incorrect or misleading.

CONTENTS

	Page
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	iii
SUMMARY	v
ABOUT THIS BASE PROSPECTUS	1
RISK FACTORS	2
TERMS AND CONDITIONS OF THE NOTES	20
<i>PRO FORMA</i> FINAL TERMS.....	42
USE OF PROCEEDS	47
OVERVIEW OF THE PROJECT	48
DESCRIPTION OF THE ISSUER.....	52
SWISS FOUNDATION LAW	55
COLLATERAL ARRANGEMENTS	58
REGISTRATION TERMS.....	63
MEETINGS OF HOLDERS	71
SWISS TAXATION.....	73
SELLING RESTRICTIONS	76
GENERAL INFORMATION	77

SUMMARY

This summary should be read as an introduction to this Base Prospectus and, for purposes of the FinSA, constitutes a summary within the meaning of articles 40(3) and 43 thereof. Any decision to invest in the Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference herein, as completed, supplemented, modified and/or replaced by the applicable Final Terms, and not on this summary. This summary is therefore qualified in its entirety by, and should be read in conjunction with, the remainder of this Base Prospectus and the applicable Final Terms.

Potential investors in Notes should be aware that liability under article 69 of the FinSA for any false or misleading information contained in this summary is limited to any such information that is false or misleading when read together with, or that is inconsistent with, the other parts of this Base Prospectus, as completed, supplemented, modified and/or replaced by the information set out in the applicable Final Terms.

Capitalized terms used in this summary but not defined herein have the meanings assigned to them elsewhere in this Base Prospectus (including the General Terms and Conditions).

Issuer Swiss Shakti Foundation (the “**Swiss-ShaktiFDN**” and, in its capacity as issuer of Notes, the “**Issuer**”).

The Swiss-ShaktiFDN was established under Swiss law as a foundation (*Stiftung*) within the meaning of article 80 et seqq. of the Swiss Civil Code of December 10, 1907, as amended, with unlimited duration and under the name “Swiss Shakti Foundation” on March 22, 2019, in Zurich, Switzerland, and was registered with the Commercial Register of the Canton of Zug under the number CHE-328.913.038. The Swiss-ShaktiFDN’s registered office is located at c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland.

The Project The Swiss-ShaktiFDN’s mission is to end child poverty around the world by enhancing and promoting education. On January 25, 2024, the Swiss-ShaktiFDN launched the Project, which is a unique program (which was gifted by its founder) that addresses school participation deficits globally by utilizing the Protocol integrated in the Network. Based on the Protocol, parents and guardians are incentivized to bring and send their children to school by receiving one SXE for each child, every day the child attends school. The attendance is confirmed and validated by other participants and/or contributors to the child’s education, such as school teachers. Rewarding children for school participation has proven effective in fostering socially responsible behaviors within communities. The Protocol embodies this approach by tracking each participating child’s school attendance and rewarding parents and guardians for their children’s active engagement. In addition, the Project is singularly focused on school participation, which means supporting access to education generally and not intervening in local curriculum content. The Swiss-ShaktiFDN believes that each community has its own unique needs and values and that the community itself is best placed to determine the appropriate curricula.

The Swiss ShaktiFDN has established and maintains a website, shakticoins.com, on which the Shakti Coin White Paper (Parts I to IV) and other materials that provide relevant details about the Project, including the Network and the nature of SXE, have been published and are available free of charge.

	See the section of this Base Prospectus titled “ <i>Overview of the Project</i> ” for more information on the Project.
The Program	On March 5, 2025, the Issuer established a program (the “ Program ”) for the issuance of SXE Digital SMART Notes (“ Notes ”).
Risk Factors	An investment in the Notes will involve certain risks, including the risk that the Holders will lose their entire investment in the Notes. For a discussion of certain risks that potential investors should carefully consider before deciding to invest in any Notes, see the section of this Base Prospectus titled “Risk Factors”.
Method of Issue	<p>The Notes will be issued in series (each, a “Series”). Each Series may consist of one or more tranches of Notes issued on different issue dates (each, a “Tranche”). The Notes of each Tranche of the same Series will have the same terms and conditions in all respects, except for the issue date and/or the first date on which interest is paid and/or the first date on which interest begins to accrue. The specific terms and conditions of each Tranche of Notes will consist of the General Terms and Conditions, as completed, supplemented, modified and/or replaced by the applicable Final Terms.</p> <p>The Notes will be issued on a non-syndicated or a syndicated basis. The specific terms of the offer of any Tranche of Notes will be set out in the applicable Final Terms.</p>
Form of Notes	<p>Each Tranche of Notes will be issued as ledger based securities (<i>Registerwertrechte</i>) within the meaning of article 973d of the Swiss Code of Obligations. Each Note is represented by a digital token (each, a “Token”) recorded in the register of ledger based securities (<i>Wertrechtregister</i>) maintained on the public permissionless SXE-DLT distributed ledger (the “Blockchain SXE-Ledger”) in accordance with the Protocol. The creation, transfer, exercise of any rights conferred under a Token and other operations relating to a Token are executed, cleared and recorded through the Blockchain SXE-Ledger in accordance with the Registration Terms (as defined below). The Tokens and any Transactions (as defined below) relating thereto are governed by the Registration Terms and the Blockchain SXE-Ledger.</p> <p>Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the Tokens into, or the delivery of, uncertificated securities (<i>einfache Wertrechte</i>), a permanent global certificate (<i>Globalurkunde</i>) or individually certificated securities (<i>Wertpapiere</i>).</p> <p>Except in the limited circumstances described in subclause (ii) of Condition 2(c) (<i>Amount, Denomination, Form and Transfer – Transfer</i>), the Notes will be freely transferable in accordance with the terms of the Blockchain SXE-Ledger. However, potential investors in Notes should be aware that any transfer of legal title to a Note (which transfer must be done via the Blockchain SXE-Ledger as described under “<i>Registration Terms</i>” below), as well as all other transactions on the Blockchain SXE-Ledger (including, without limitation, the making and receiving of interest payments on the Notes) will be subject to a “gas fee” as described in clause 2(d) of the Registration Terms.</p>

Registration Terms

The key terms of the tokenization terms (*Registrierungsvereinbarung*) within the meaning of articles 973d and 973f of the Swiss Code of Obligations for the Notes (the “**Registration Terms**”) are as follows:

- (a) The transfer of legal title to a Note and the creation of a security or other interest over a Note (each such transfer or creation of interest, a “**Transaction**”) requires the transfer of the Token representing such Note to an SXE Wallet controlled by the acquirer of such Note or of the security or other interest over such Note, via the Blockchain SXE-Ledger in accordance with the rules and procedures of the Blockchain SXE-Ledger and the Protocol.
- (b) Transactions will be effected and recorded on the Blockchain SXE-Ledger in accordance with the Registration Terms.

The Registration Terms in effect as of the date hereof are set out in full in the section of this Base Prospectus titled “*Registration Terms*”.

Issue Price

Notes will be issued on a fully-paid basis and may be issued at par or at a discount or premium to par, as specified in the applicable Final Terms.

Currencies

The Notes of a Series may be denominated in any currency, which will be specified in the applicable Final Terms (the “**Specified Currency**”).

Subject to the occurrence of an SXE Payment Interruption Event (as defined below) and irrespective of the relevant Specified Currency, interest on the Notes of each Series will be payable in SXE. SXE is the cryptocurrency Shakti Coin, which has a fixed value of USD 5.00 per Shakti Coin that (i) through utilization of the Protocol has been mined as a token, and (ii) has been memorialized and technologically codified by the Swiss-ShaktiFDN in the Network and immutably recorded on the Blockchain SXE-Ledger.

An “**SXE Payment Interruption Event**” means an event that makes it impossible or impractical through legal channels for the Issuer to deliver SXE to Holders. See clause (a)(iv) of Condition 6 (*Payments*) for more details on the effect of an SXE Payment Interruption Event.

In the case of payment of the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as the case may be, in respect of the Notes of a Series:

- (a) each Holder will have the right to elect to receive the Redemption Amount in respect of some or all of its Notes of such Series in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes in accordance with clause (e) of Condition 5 (*Redemption and Purchase*); and
- (b) if a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes of such Series, the Redemption Amount in respect of such Notes will be paid in SXE.

See clauses (e) and (f) of Condition 5 (*Redemption and Purchase*) for further details.

Denomination	The Notes of a Series may be issued in any denominations, which will be specified in the applicable Final Terms.
Use of Proceeds	<p>The proceeds from the issuance of the Notes of each Tranche after deduction of the fees, costs and expenses incurred by the Issuer in connection with such issuance (the “Net Proceeds”) shall be used by the Issuer as follows:</p> <ul style="list-style-type: none"> <li data-bbox="608 434 1356 492">(a) 10% of the Net Proceeds shall be applied in furtherance of the Project; and <li data-bbox="608 521 1356 672">(b) 90% of the Net Proceeds shall be converted (if necessary) into USD (such portion of the Net Proceeds, the “Initial Invested Amount”) and deposited on the relevant Issue Date in one or more Relevant Accounts (as defined below) in respect of the relevant Series (the “Initial Relevant Account(s)”). <p>The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of any Series.</p>
Relevant Accounts	<p>In respect of each Series of Notes, the Issuer’s wholly-owned subsidiary, the Swiss Shakti Foundation, which is a public benefit non-profit corporation established under the laws of Wyoming in the United States (the “Security Provider”) will establish one or more deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada that are managed by the relevant Investment Manager (see “<i>Investment Managers</i>” below), or otherwise invested, in accordance with the Fund Management Framework and are designated by the Security Provider as exclusive to such Series (each, a “Relevant Account”).</p> <p>The Initial Invested Amount in respect of a Tranche of Notes may be deposited in any Relevant Account in respect of the Series of which such Tranche forms a part. The Initial Invested Amount in respect of any Tranche of Notes may not be deposited in a Relevant Account in respect of a Series of which such Tranche does not form a part.</p> <p>Subject to the requirements described under “<i>Collateralization</i>” below, the Security Provider may at any time and from time to time move any amount from any Relevant Account in respect of a Series to any other Relevant Account in respect of such Series. Otherwise, the Security Provider may withdraw amounts from any Relevant Account only under the circumstances described under “<i>Use of Amounts in excess of the Series Minimum Pledged Funds Amount</i>” below or if such withdrawal is made to satisfy any payment obligation owed by the Issuer to any Holder as a result of any redemption or purchase of Notes by the Issuer under Condition 5 (<i>Redemption and Purchase</i>).</p>
Investment Managers	Each Relevant Account must be managed by an Investment Manager appointed by the Security Provider (or otherwise invested) in accordance with the Fund Management Framework. Any appointment or termination of appointment by the Security Provider of, or resignation by, any Investment Manager may take place at any time, <i>provided</i> that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account must be (and the Issuer shall ensure that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account is) (x) a Person that is either an independent financial institution of international repute or an independent adviser of

recognized standing and expertise that is capable of managing, and, where legally required, possesses such valid and current licenses, permits, certificates or other governmental consents, authorizations and approvals, and has made all applicable registrations and filings, required to manage, such Relevant Account in accordance with the Fund Management Framework, and (y) included on the Eligible Investment Manager List.

So long as any Note is outstanding, the Fund Management Framework will be publicly available free of charge online at www.shaktico.in.com/smartnotes/swissfdn/info (or at such other location online notified to the Holders by the Issuer in accordance with Condition 13 (*Notices*)).

Use of Amounts in excess of the Series Minimum Pledged Funds Amount

In respect of each Series of Notes, if at any time the aggregate amount of USD in the Relevant Accounts in respect of such Series at such time is greater than the Series Minimum Pledged Funds Amount at such time, the Security Provider may withdraw any amount from such Relevant Accounts so long as (x) immediately after such withdrawal, the aggregate amount of USD in such Relevant Accounts is equal to or greater than the Series Minimum Pledged Funds Amount, and (y) such withdrawn amount is applied in furtherance of the Project.

For these purposes, the Series Minimum Pledged Funds Amount at any time will be equal to:

- (a) during an initial period specified in the applicable Final Terms (which period is referred to as the Reinvestment Period), the applicable percentage (which percentage is expected to be less than 100%, but no less than 90% and is referred to as the Applicable Percentage) of the aggregate principal amount of the Notes of the relevant Series outstanding at such time that is specified in the applicable Final Terms; and
- (b) thereafter, 100% of the aggregate principal amount of the Notes of the relevant Series,

in each case, converted (if necessary) into USD.

The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of any Series.

Status

The Notes will constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future unsubordinated obligations of the Issuer, except for such obligations that are preferred in accordance with applicable law at the relevant time.

Collateral Agent

The Issuer, the Security Provider and Shakti Collateral Agent, LLC have entered into a collateral agency agreement dated as of March 5, 2025 (as may be amended, supplemented and/or otherwise restated from time to time, the “**Collateral Agency Agreement**”), pursuant to which Shakti Collateral Agent, LLC, an affiliate of the Issuer and the Security Provider, has been initially appointed as Collateral Agent.

Pursuant to clause (b) of Condition 10 (*Collateral Agent*), in respect of each Series of Notes to be issued, the Issuer will undertake to use

its good faith reasonable efforts to, on or before the first anniversary of the Issue Date for first Tranche of Notes issued under the Program and in accordance with the Collateral Agency Agreement, appoint a Person that is (x) an independent third party of recognized standing and expertise, (y) domiciled in the United States, and (z) experienced in performing the duties to be performed by the Collateral Agent under the Collateral Agency Agreement and the Collateral Agreements relating to, and the Terms and Conditions of the Notes applicable to, such Series as successor Collateral Agent.

See the section of this Base Prospectus titled “*Collateral Arrangements*” for more information.

Collateralization

On or before the Issue Date of any Tranche of Notes to be issued, the Security Provider will enter into one or more Collateral Agreements in respect of the Initial Relevant Account(s) (such Collateral Agreements, the “**Initial Collateral Agreements**”), pursuant to which a security interest in respect of each Initial Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders of the Notes of the relevant Series and such security interest is perfected pursuant to the laws of the relevant jurisdiction. Each Collateral Agreement will be governed by the laws of the relevant State of the U.S. or the relevant province or territory of Canada, as applicable. The Final Terms for each Tranche of Notes will specify the applicable governing law and jurisdiction for each Initial Collateral Agreement in respect of such Tranche. However, the Issuer will be under no obligation to notify Holders of the applicable governing law and jurisdiction for any Collateral Agreement in respect of any Additional Relevant Account entered into, or of any change in the governing law or jurisdiction for any Initial Collateral Agreement that occurs, after the applicable Final Terms have been finalized and, if applicable, filed with the Swiss Review Body (as defined below).

The Security Provider may not move amounts from one Relevant Account to another Relevant Account as described under “*Relevant Accounts*” above, unless it has entered into a Collateral Agreement in respect of such Relevant Account, pursuant to which a security interest in respect of such Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders of Notes of the relevant Series and such security interest is perfected pursuant to the laws of the relevant jurisdiction.

See as the section of this Base Prospectus titled “*Collateral Arrangements*” for more information.

Maturity

Subject to any applicable legal or regulatory restrictions, Notes may be issued with any maturity, which will be specified in the applicable Final Terms (the “**Scheduled Maturity Date**”) and which may, under certain circumstances be extended to the date specified for such purposes in the applicable Final Terms (the “**Extended Maturity Date**”). See “*Final Redemption*” below for more details.

Interest

The Notes will bear interest at the fixed rate specified in the applicable Final Terms. Interest on the Notes will be payable in SXE in arrear on such date or dates specified in the applicable Final Terms and on redemption. On each such date, the amount of interest payable in SXE will be calculated by reference to the Fixed Coupon Amount specified in the applicable Final Terms (see subclause (i) of Condition 4(b) (*Interest – Calculation of interest payable*)). The amount of interest payable on any other date will be calculated on the basis of such Day

Count Fraction (see subclause (ii) of Condition 4(b) (*Interest – Calculation of interest payable*)). See also “Currencies” above.

The Notes rely on the Network and the Protocol, which are designed to enable investment in, custody of, and transactions in, SXE, the Notes, and potentially third-party-issued digital securities. The Network, the Protocol, and SXE can each be considered innovative and as advancing the emerging sector of blockchain-based finance and providing a foundation for innovation and growth in decentralized financial ecosystems. Investments in emerging innovative industries or products, particularly those involving cutting-edge industries or technologies like blockchain-based projects or assets, can enable and often provide opportunities for higher yields (“enhanced yields”) compared to traditional fixed income investments. These enhanced yields may arise from leveraging decentralized finance (DeFi) structures, staking mechanism, lending/borrowing models or other innovative financial transactions. While the rate at which each Series of Notes will bear interest will be determined based on prevailing market conditions and market demand at the time of pricing of the initial Tranche of such Series, in light of the enhanced yields sometimes observed in, or in connection with, the above-described novel technologies, the Swiss-ShaktiFDN expects that the Notes will generally need to offer enhanced yields in order to attract investors with expectations aligned with the growth potential of innovative technology sectors. Potential investors in Notes should be aware that innovative structures, such as the Network, the Protocol and SXE, may be subject to additional risks and regulatory considerations (see “Risk Factors—Risks relating to the Network, the Protocol, the Blockchain SXE-Ledger and SXE”).

Swiss Withholding Tax

All payments of interest on the Notes will be subject to Swiss withholding tax, which as of the date of this Base Prospectus is levied at the rate of 35%. Consequently, the Issuer will be required to withhold tax at such rate from any payment of interest on the Notes, and no additional amounts will be paid by the Issuer to any Holder in respect of any such withholding. For more detail, see the section of this Base Prospectus titled “Swiss Taxation—Withholding Tax”.

Swiss Securities Turnover Tax

The issuance of Notes on the relevant Issue Date (primary market) will not be subject to Swiss securities turnover tax (*Umsatzabgabe*). Subsequent dealings in Notes in the secondary markets may be subject to this tax as described in the section of this Base Prospectus titled “Swiss Taxation—Securities Turnover Tax”.

Final Redemption

The Notes will be redeemed on the Scheduled Maturity Date at the Final Redemption Amount (as specified in the applicable Final Terms), together with any accrued and unpaid interest thereon to but excluding the Scheduled Maturity Date.

If on the date falling 45 days prior to the Scheduled Maturity Date, the aggregate amount of USD in the Relevant Accounts in respect of the relevant Series on such date is less than the Series Minimum Pledged Funds Amount on such date, then the Final Redemption Amount will be automatically deferred and shall not be due and payable until the Extended Maturity Date. For these purposes, the Series Minimum Pledged Funds Amount on such date will be equal to 100% of the aggregate principal amount of the Notes outstanding on such date converted (if necessary) to USD.

A Holder may elect to receive the Final Redemption Amount in respect of some or all of its Notes of the relevant Series in the

Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) of Condition 5 (*Redemption and Purchase*). If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes of such Series, the Final Redemption Amount in respect of such Notes will be paid in SXE.

Early Redemption due to a Tax Event

If at any time the Issuer in making any payments on the Notes of any Series has paid, or will or would be required to pay, any additional Tax in respect of the Notes of such Series as a result of any changes in, or amendment to, the laws or regulations of Switzerland, and the Issuer cannot avoid the foregoing by taking measures reasonably available to it, the Issuer may, subject to certain conditions, elect, in its sole discretion, to redeem the Notes of such Series, in whole but not in part, at the Tax Redemption Amount (as specified in the applicable Final Terms), together with any accrued and unpaid interest thereon to (but excluding) the relevant Early Redemption Date, as more particularly described in clauses (b) and (d) of Condition 5 (*Redemption and Purchase*).

A Holder may elect to receive the Optional Redemption Amount in respect of some or all of its Notes of the relevant Series in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) of Condition 5 (*Redemption and Purchase*). If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes of such Series, the Optional Redemption Amount in respect of such Notes will be paid in SXE.

Early Redemption at the Option of the Issuer – Issuer Call

If the applicable Final Terms specify the Issuer Call as being applicable, the Issuer may, subject to certain conditions, elect, in its sole discretion, to redeem the Notes of the relevant Series, in whole but not in part, on any Optional Redemption Date (as specified in the applicable Final Terms) at the Optional Redemption Amount (as specified in the applicable Final Terms), together with any accrued and unpaid interest thereon to (but excluding) the relevant Optional Redemption Date, as more particularly described in clauses (c) and (d) of Condition 5 (*Redemption and Purchase*).

The Issuer may only elect to redeem the Notes of a Series as described above if, on the date the notice to the Holders of such election is to be published, the aggregate amount of USD in the Relevant Accounts in respect of such Series on such date is equal to or greater than the Series Minimum Pledged Funds Amount on such date. For these purposes, the Series Minimum Pledged Funds Amount on such date will be equal to 108% of the aggregate principal amount of the Notes outstanding on such date converted (if necessary) to USD.

A Holder may elect to receive the Optional Redemption Amount in respect of some or all of its Notes of the relevant Series in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) of Condition 5 (*Redemption and Purchase*). If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes of such Series, the Optional Redemption Amount in respect of such Notes will be paid in SXE.

Events of Default

With respect to any Series of Notes, it will be an Event of Default if:

- (a) the Issuer fails to pay the principal amount of, or any interest on, any Note of such Series if and when the same becomes due and payable under the Notes of such Series, and such failure continues unremedied by the Issuer for a period of 30 days; or
- (b) the Issuer fails to observe or perform any other covenant, condition, or agreement contained in the applicable Terms and Conditions of the Notes or the Collateral Agency Agreement, and such failure continues unremedied for a period of 90 days after notice thereof from any Holder to the Issuer and the Collateral Agent through the Network; or
- (c) the Security Provider fails to observe or perform any other covenant, condition, or agreement contained in the Collateral Agency Agreement or any Collateral Agreement relating to such Series, and such failure continues unremedied for a period of 90 days after notice thereof from any Holder to the Issuer and the Collateral Agent through the Network; or
- (d) certain events of bankruptcy, insolvency or insolvent reorganization occur or are taken with respect to the Issuer or, if it is not the Issuer, the Swiss-ShaktiFDN.

If an Event of Default with respect to any Series of Notes has occurred and is continuing, the Holders of at least 25 per cent. in aggregate principal amount of the outstanding Notes of such Series (a “**Required Threshold of Holders**”) may declare all such Notes to be immediately due and payable, as more particularly described in Condition 11 (*Events of Default*) of the General Terms and Conditions.

If the Notes of any Series become so due and payable, a Holder may elect to receive the Final Redemption Amount in respect of some or all of its Notes of such Series in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) of Condition 5 (*Redemption and Purchase*).

Enforcement

Upon the occurrence of an Event of Default with respect to any Series of Notes, the Collateral Agent will, subject to being indemnified and/or secured and/or prefunded to its satisfaction, if so instructed through the Network by the Required Threshold of Holders, serve an Enforcement Notice on the Issuer and subject as provided in the Collateral Agency Agreement, at any time and without notice, institute such proceedings and/or take such action, step or proceedings as it may think fit against, or in relation to, the Issuer, the Security Provider or any other Person to enforce its rights under any Collateral Agreement relating to such Series.

Subject to the provisions of the Collateral Agency Agreement and the Collateral Agreements relating to the relevant Series, at any time after the Security for the Notes such Series has become enforceable, the Collateral Agent shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, if so instructed through the Network by the Required Threshold of Holders following an Event of Default with respect to such Series of Notes, without notice, take such

steps, actions or proceedings as it may think fit to enforce the Security for the Notes of such Series.

No Holder shall be entitled to proceed directly against the Issuer, the Security Provider or any other Person that is a party to any Collateral Agreement relating to the relevant Series unless such Holder has first sought enforcement of the Security for the Notes of such Series in accordance with the Collateral Agency Agreement.

The Collateral Agent will not be required or obliged to take any action or step or institute any proceedings whether in relation to the enforcement of the Security for the Notes of any Series or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

See the section of this Base Prospectus titled “*Collateral Arrangements*” for more information.

Issuer Substitution

Subject to certain conditions, the Issuer may, without consent of the Holders, substitute any direct controlled subsidiary of the Swiss-ShaktiFDN for all purposes under any Series of Notes at any time, as more particularly described in Condition 15 (*Issuer Substitution*) of the General Terms and Conditions.

Notices

Notices to Holders, to the Issuer and to the Collateral Agent shall be given through the Network. See Condition 13 (*Notices*) for further details.

Governing Law

The Notes and the Terms and Conditions of the Notes will be governed by Swiss law. The Collateral Agency Agreement is governed by the laws of the State of New York. Each Collateral Agreement will be governed by the laws of the relevant State of the U.S. or the relevant province or territory of Canada, as applicable.

Date and Approval of Base Prospectus

This Base Prospectus is dated, and was approved as a base prospectus within the meaning of article 45 of the FinSA by the Prospectus Review Office of BX Swiss AG in its capacity as a review body pursuant to article 52 of the FinSA (in such capacity, the “**Swiss Review Body**”) on, March 5, 2025.

In respect of any Tranche of Notes to be issued during the 12 months from the date of this Base Prospectus, this Base Prospectus (as amended or supplemented as of the date of the applicable Final Terms), together with the applicable Final Terms, will constitute the prospectus for purposes of the FinSA.

In the case of any Tranche of Notes to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland, the applicable Final Terms will be filed with the Swiss Review Body and published in accordance with the FinSA as soon as the final terms of such Notes are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Notes on such trading venue in Switzerland. The Final Terms for such Notes will not be reviewed or approved by the Swiss Review Body.

Admission to Trading and Listing and/or Quotation

Each Series of Notes may be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system or may be unlisted. The specific terms of any admission to

trading and listing and/or quotation of any Tranche of Notes will be set out in the applicable Final Terms.

Clearing System

If there is any clearing system for a Series of Notes, such clearing system will be specified in the applicable Final Terms.

Dealers

The Issuer may from time to time appoint dealers either generally for the Program or in relation to a particular Series or Tranche of Notes (each, a “**Dealer**”). In respect of any Tranche of Notes, the Issuer may elect to distribute such Notes by entering into an agreement with one or more Dealers for that Tranche to be issued by the Issuer and subscription by such Dealer(s). The Dealer(s) for a particular Tranche of Notes, if any, will be specified in the applicable Final Terms.

Selling and Transfer Restrictions

The Notes are subject to restrictions on their offer, sale, delivery and transfer, including, without limitation, in the United States of America (see “*Selling Restrictions—United States*”). In particular, no action has been taken by the Issuer that is intended to permit a public offering of any Notes or distribution of this Base Prospectus or any Final Terms in any jurisdiction where action for that purpose is required other than Switzerland.

Additional restrictions and/or amendments to the restrictions referred to above may be required in connection with particular Series or Tranches of Notes, and, if so, will be specified in the applicable Final Terms.

ABOUT THIS BASE PROSPECTUS

Documents Incorporated by Reference

The following documents, which have previously been published or are published simultaneously with this Base Prospectus, are incorporated in, and form part of, this Base Prospectus:

- (a) the Issuer's Deed of Foundation (*Stiftungsurkunde*) dated March 1, 2019;
- (b) the Issuer's audited financial statements for the year ended December 31, 2023; and
- (c) the Issuer's unaudited financial information for the nine months ended September 30, 2024.

Supplements

After the date hereof, a supplement to this Base Prospectus that adds, updates or changes the information contained in this Base Prospectus may be prepared by the Issuer, which supplement will be filed with and, to the extent required by article 56(4) of the FinSA, approved by the Swiss Review Body and published by the Issuer in accordance with the FinSA. Statements contained in any such supplement (or contained in any document incorporated by reference herein via such supplement) will be deemed to modify or supersede statements contained in this Base Prospectus or in a document that is incorporated by reference herein. Any statement so modified or superseded will not, except as so modified or superseded, constitute a part of this Base Prospectus with respect to the Notes offered on or after the date of the relevant supplement.

Availability of Documents

Copies of this Base Prospectus (including the documents incorporated by reference herein and any supplements hereto) can be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland (email: helpdesk@shakti.swiss).

So long as any Note remains outstanding, the Issuer expects to publish its audited annual financial statements on its website at <https://shaktico.in.com/en>. If and for so long as the Notes of any Series are listed on a stock exchange and/or admitted to trading by such other relevant authority, the Issuer shall ensure that its financial statements and any other financial information is published in a manner that complies with the rules of such stock exchange or such other relevant authority, respectively.

The Issuer is not incorporating by reference the contents of its website (other than the above-mentioned documents incorporated by reference herein that are published on the website of the Issuer) or any apps in this Base Prospectus.

RISK FACTORS

Prospective investors should read and carefully consider the following risk factors and other information in this Base Prospectus before deciding to invest in the Notes. Investing in the Notes involves risk, including the risk of loss of a Holder's entire investment in the Notes. Prospective investors should reach their own investment decision with regard to the Notes only after consultation with their own financial and legal advisers about risks associated with an investment in the Notes and the suitability of investing in the Notes in light of their particular circumstances. Additional risks not currently known to the Issuer or that it now deems immaterial may also adversely affect the Issuer or affect an investment in the Notes.

Words and expressions defined in the General Terms and Conditions or elsewhere in this Base Prospectus have the same meanings in this section.

The sequence in which the risk factors are presented below is not indicative of their likelihood of occurrence or the potential magnitude of their financial consequences. Prospective investors in the Notes should consider, among other things, the following:

RISKS RELATING TO THE ISSUER

Payments on the Notes are subject to the credit risk of the Issuer

The Notes are obligations of the Issuer only, and will not be guaranteed by, or be the responsibility of, any other entity. Accordingly, all payments under the Terms and Conditions of the Notes are dependent upon the ability of the Issuer to make the relevant payments when due.

If the Issuer is not able to fulfil its obligations to Holders under the Terms and Conditions of the Notes, Holders will be unsecured (other than to the extent of the realizable value of the Collateral securing the Notes of the relevant Series) and will not have the protection of any government or governmental agency, or insurance protection scheme in any jurisdiction. In such case, the return on the Notes (other than to the extent of the realizable value of the Collateral securing the Notes of the relevant Series) will be reduced and may even be zero. If the Issuer becomes unable to meet its obligations under the Terms and Conditions of the Notes, Holders may not receive the amounts payable thereunder.

The Issuer is a Swiss foundation with a charitable purpose and no commercial income outside of the furtherance of the Project

The Issuer is a Swiss foundation (*Stiftung*) with a charitable purpose, as set out in its deed of foundation (*Stiftungsurkunde*) (the "**Deed of Foundation**"), and as such, it does not outside of the furtherance of the Project engage in commercial activities or generate commercial income. The Issuer's financial resources primarily consist of donations, grants, and other forms of charitable funding. In addition, the Issuer earns SXE from certain transactions in, and/or the mining of, SXE. These sources of income are uncertain and may fluctuate over time depending on external factors such as the availability of donations and the success of the Project.

Due to the absence of commercial income, the Issuer may face challenges in generating sufficient funds to meet its financial obligations, including the timely payment of interest and principal under the Notes. Investors should be aware that the Issuer's lack of commercial income may lead to additional uncertainty regarding its financial sustainability and capability to fulfill its obligations under the Notes.

The Issuer is subject to the supervision of the Supervisory Authority and the Supervisory Authority can order various preventive and other measures against the Issuer, which may impact its activities

As a foundation (*Stiftung*) operating under the laws of Switzerland, the Issuer is subject to the on-going supervision of the Swiss Federal Supervisory Authority (*Eidgenössische Stiftungsaufsicht*), as its Supervisory Authority. The Supervisory Authority has the statutory powers to implement various supervisory measures to ensure that the Issuer's assets are used in accordance with its purposes as set out in the Deed of Foundation, and that the members of the Foundation Board of Trustees of the Issuer (the "**Foundation Board of Trustees**") act in compliance with applicable laws and regulations and the Deed of Foundation. The Supervisory Authority can namely amend the Issuer's purpose *ex officio* or at the request of the Foundation Board of Trustees if the initial purpose has taken on a completely different meaning or effect, resulting in the Issuer having becoming diverged from the founder's initial will set out in the Deed

of Foundation. The Supervisory Authority may also issue directives to the members of the Foundation Board of Trustees and order the removal of members of the Foundation Board of Trustees.

Potential measures taken by the Supervisory Authority, such as a change in the Issuer's purpose could impact its operations, its ability to further Project as well as the Issuer's financial condition, and the ability of the Issuer to satisfy its obligations under the Notes.

The Issuer is not subject to prudential on-going or other supervision by FINMA or any other Swiss or non-Swiss financial market regulator

While the Issuer, as a foundation (*Stiftung*) operating under the laws of Switzerland, is regulated by the Supervisory Authority, as of the date of this Base Prospectus, it is not required to be licensed registered or authorized under any current securities, commodities or banking laws in Switzerland and/or abroad and is, therefore, not subject to the on-going supervision by Switzerland's financial market regulator, Swiss Financial Market Supervisory Authority FINMA ("**FINMA**"), or any other (Swiss or non-Swiss) financial market regulator. This means that the Issuer is not required to comply with any specific capital adequacy, liquidity, solvency, risk management or disclosure requirements or rules that typically apply to regulated financial institutions. As a result, the Issuer may be exposed to greater operational, financial, legal, reputational or other risks than regulated entities.

The regulatory status of the Issuer may change

As of the date of this Base Prospectus, the Issuer is not subject the supervision by Switzerland's financial market regulator, FINMA, or any other (Swiss or non-Swiss) financial market regulator. However, there can be no assurance that regulatory authorities in one or more other jurisdictions will not in the future determine that the Issuer is required to be licensed, registered or authorized under the financial market laws of such jurisdiction. Any such requirement could require the Issuer to obtain licenses, registrations or authorizations and subject it to ongoing regulatory supervision. If this were the case, there is a risk that the Issuer may not be granted such licenses, registrations or authorizations or that it may face significant expenditures of financial and employee resources to obtain such licenses, registrations or authorizations and in connection with ongoing compliance with any such ongoing regulatory supervision.

The Issuer has a limited financial track record

The Issuer has a limited financial track record and, as of date of this Base Prospectus, has published only audited financial statements for the year ended December 31, 2023, and unaudited financial information for the nine months ended September 30, 2024. As a result, there is a lack of historical financial data available to evaluate the Issuer's past performance, financial position, and overall financial stability. As a consequence, it may be challenging to assess the Issuer's ability to meet its financial obligations, including the repayment of principal and interest under the Notes.

Furthermore, in accordance with article 83b of the Swiss Civil Code of December 10, 1907, as amended (the "**Swiss Civil Code**"), the Issuer prepares its financial statements in accordance with the Swiss Code of Obligations and not in accordance with any other accounting standard, such as U.S. Generally Accepted Accounting Principles (GAAP) or IFRS Accounting Standards. For so long as any Note is outstanding, the Issuer expects to publish its audited annual financial statements; however, as a matter of Swiss law, is not required to publish such financial statements or to prepare or publish interim financial information, in each case unless required to do so under the FinSA in connection with an offering or application for admission to trading of securities.

The capability of the Issuer to make payments under the Notes is dependent on the success of the Project and the availability of sufficient SXE

Interest payments under the Notes are payable in SXE. As a consequence, the Issuer's capability to make interest payments under the Notes is dependent on the availability of sufficient SXE within the Network. SXE are mined and credited to a parent or guardian's SXE Wallet once the student's attendance at school has been validated, confirmed, and, in some instances, self-attested in accordance with the Protocol. As a consequence, the creation of SXE is dependent on the number of a parents and guardians that join the Network and send their children to school. The success of the Project (and as a consequence the number of SXE) will also depend on whether SXE is widely accepted and/or adopted as a medium of exchange with merchants participating in the Network.

According to the Issuer's financial model, for example, the relevant parent/guardian of approximately 265,000 students would need to install the SXE App and ensure that each such student attends school at least 200 days per year in order for the Issuer to earn sufficient SXE to be able to meet its obligations to pay interest under a Series of Notes with an aggregate principal amount of USD 100,000,000. To the extent that there are insufficient SXE mined within the Network as a consequence of a failure of the Issuer and/or its affiliates to attract sufficient parents/guardians to participate in the Network, the Issuer may not be in a position to obtain sufficient SXE to make the interest payments under the Notes.

The capability of the Issuer to redeem the Notes is dependent upon the value of the Collateral managed in line with the Fund Management Framework

90% of the Net Proceeds from the issuance of each Tranche of Notes will be deposited in one or more deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada and established by the Security Provider in accordance with the Terms and Conditions of the Notes. Each such account will be managed by the relevant Investment Manager (or otherwise invested) in accordance with the Fund Management Framework.

As the Issuer does not engage in any commercial activities outside of the furtherance of the Project, the capability of the Issuer to redeem the Notes of a particular Series at maturity (as well as its right to elect to early redeem the Notes of a particular Series) will depend on the success of the investment strategy applied by the Investment Manager(s) in respect of the accounts designated as exclusive to such Series and ultimately the capability of the Investment Manager(s) to adequately manage, maintain and potentially increase the value of the assets under management. As the past performance of an Investment Manager is no guarantee of future development or success, the performance of the Investment Managers cannot be predicted at the time of the investment decision. A failure of an Investment Manager to adequately manage the assets and/or a loss incurred by the Issuer due to the investment decisions made by the Investment Manager may lead to an inability of the Issuer to make payments under the Notes. See also “—*The Collateral securing a Series of Notes will be managed by one or more third party Investment Managers, and there will be no requirement to maintain a minimum of cash or cash equivalents in the Relevant Account(s) for such Series*” and “—*Each Series of Notes will be only be secured by the Collateral and the value of such Collateral will fluctuate throughout the life of the Notes of such Series, which may result in such Notes remaining, or becoming even further, undercollateralized*” in “*Risks relating to the Notes*” below.

The Issuer is dependent on the retention and engagement of certain key individuals

The Network and the Protocol are developed, supported and maintained by certain key individuals associated with the Issuer. These key individuals are essential for the furtherance and the success of the Project. These key individuals possess critical expertise, knowledge, and skills that are integral to the furtherance and success of the Project. Their contributions are fundamental to the ongoing development and operation of the Network and the Protocol, as well as to the strategic success of the Issuer.

If any of these key individuals were to resign, become incapacitated, or otherwise cease to be involved with the Issuer, it could have an adverse effect on the Issuer's ability to continue the Project. The Issuer may face challenges in finding suitable replacements with the necessary skills and experience, and any delays or disruptions in the replacement process could adversely impact the ability of the Issuer to further the Project.

Pursuant to the Deed of Foundation, the Issuer's founder, SXE Fdrs GmbH, may amend the purpose of the Issuer in line with Swiss law

Pursuant to the Deed of Foundation, the Issuer's purpose can be amended by the Issuer's founder, SXE Fdrs GmbH, at the earliest ten years after the Issuer's incorporation (*i.e.*, in 2029), by submitting an application to the Supervisory Authority.

A change in the Issuer's purpose could impact its operations, the furtherance of the Project, the financial condition, and the ability of the Issuer to satisfy its obligations under Notes. Holders should, therefore, be aware that the Issuer's current charitable purpose may not remain the same, which could affect the Issuer's capability to support and advance the Project.

RISKS RELATING TO THE NETWORK, THE PROTOCOL, THE BLOCKCHAIN SXE-LEDGER AND SXE

The Network and the Protocol rely on certain of the Issuer's affiliates and third parties to ensure the proper functioning of the Network and the Protocol

The Issuer and the Network are dependent on certain of the Issuer's affiliates and third parties for various essential services and functions, in the context of issuing the Notes and maintaining the Network, the Protocol and the Blockchain SXE-Ledger. These include, but are not limited to, the KYC verifiers, the Nodes and SXE Network Operations.

These affiliates and third parties provide key operational, technical, and administrative support necessary for the maintenance and operation of the Blockchain SXE-Ledger, which provides the technical infrastructure for the issuance, storage and transfer of the Tokens. If any of these affiliates or third parties were to fail to perform its duties, experience financial or operational difficulties, it could lead to disruptions, or failures on the Blockchain SXE-Ledger. Additionally, the Issuer may face difficulties in identifying and engaging suitable replacements for these affiliates and third parties in a timely manner, potentially resulting in increased costs or operational inefficiencies. Any failure to successfully maintain the Network, the Protocol and the Blockchain SXE-Ledger could endanger the success of the Project and, thereby could adversely affect the Issuer's financial condition through loss of income in SXE, increasing the risk of the Issuer's inability to satisfy its obligations under the Notes.

The regulatory status of SXE may vary from jurisdiction to jurisdiction and may be subject to change

The legal status of digital assets, such as SXE, varies widely from jurisdiction to jurisdiction. In many jurisdictions, the legal status of digital assets is not yet defined or is changing. Some jurisdictions have made the use of certain specific digital assets illegal. Other jurisdictions have banned certain digital assets or securities or derivatives relating thereto (including for certain categories of investors), enacted restrictions for financial institutions working with digital assets or otherwise enacted restrictions on the use storage and transfer of digital assets. In addition, the legal treatment of digital assets is often unclear, and in certain jurisdictions there is uncertainty as to whether digital assets, such as SXE, qualify as a security, money or a commodity. This uncertainty is increased by the rapid evolution of regulations. Some countries may explicitly restrict, prohibit or limit the acquisition, use, trading or redemption of certain specific digital assets, such as SXE in the future. In such a scenario, the ownership or trading of digital assets, such as SXE or securities providing for the payment of interest in digital assets, such as the Notes, could become subject to restrictive regulatory requirements. It is difficult to predict how the regulatory outlook and policies regarding digital assets will evolve.

SXE do not represent an underlying asset and the valuation of SXE is based on the assessment of market participants. Therefore, the realizable value of SXE will heavily depend on the success of the Project and the adoption of SXE among market participants

SXE are not issued by the Issuer and as such do not represent an underlying claim to income or profits of, or a liability that must be repaid by, the Issuer and/or any of its affiliates. SXE therefore lack an intrinsic (monetary) value. While the value of SXE is linked to USD, the price of SXE also reflects the assessment of value by market participants (or a particular market place) and supply and demand dynamics. Further, the realizable value of SXE will depend on a considerable degree on the success of the Project and the acceptance of SXE as a means of payment for goods and/or services by market participants. As a result, the realizable value of SXE may be more speculative and more volatile than traditional assets. As a consequence, the value of the Notes may also be subject to an increased volatility.

The realizable value of SXE can change quickly and could even be valueless

The realizable value of SXE (and, as a consequence, the value of payments made in SXE under the Notes) may be affected by a variety of factors over which the Issuer and/or its affiliates have no control. For example, should the general demand for digital assets decrease (e.g., due to a sudden general loss of confidence in the asset class), then the realizable value of SXE may drop sharply and permanently, and could even be valueless, which in turn would adversely affect the price at which investors are able to trade the Notes in the secondary markets.

The Issuer, the Network and the Protocol are not subject to the Swiss Federal Anti-Money Laundering Act

Access to an SXE Wallet can only be obtained on the SXE App after completing the KYC process implemented on the Protocol. Under such KYC process, the Person requesting an SXE Wallet must submit comprehensive documentation (confirmation of domicile, place of residence and nationality, ID-copies and current utility bills) adequately evidencing their identity. The submitted documentation is assessed by the Network and independent autonomous KYC verifiers. Despite such a KYC process being implemented, neither the Issuer nor any of its affiliates, as a consequence of operating the Protocol and the Network, are subject to the Federal Anti-Money Laundering Act (the “**AMLA**”) and the ongoing requirements set out thereunder. Therefore, the KYC process implemented on the Protocol described above is not compliant with the requirements of the AMLA.

As a consequence, the KYC process implemented on the Protocol may not be adequate to detect and report money laundering, terrorist financing and/or other illicit activities within the Network. This may increase the risk of the Issuer being inadvertently involved in activities related to money laundering or terrorist financing and/or the Network and the Protocol being utilized for such illicit activities. The use of the Network for such illicit activity may lead to reputational damage for the Issuer and the Network and the Project as a whole.

The operation of the Network, the Protocol and the Blockchain SXE-Ledger is not subject to any financial market regulation and/or supervision in Switzerland

As of the date of this Base Prospectus, the maintenance and operation of the Network, the Protocol and the Blockchain SXE-Ledger by the Issuer and/or its affiliates is not regulated under the financial market laws of Switzerland and is, therefore, not subject to any specific regulatory requirements and the on-going supervision by FINMA or any other Swiss financial market regulator. This means that in operating the Network, the Protocol and the Blockchain SXE-Ledger, the Issuer and its affiliates are not required to adhere to a regulatory investor protection framework, including, without limitation, organization rules, rules of conduct, restrictions on conflicts of interest or disclosure and/or documentation requirements.

The operation of the Network, the Protocol and the Blockchain SXE-Ledger may become subject to regulatory requirements

As of the date of this Base Prospectus, the maintenance and operation of the Network, the Protocol and/or the Blockchain SXE-Ledger by the Issuer and/or its affiliates is not a regulated activity under the laws of Switzerland. However, there can be no assurance that regulatory authorities in one or more other jurisdictions will not introduce restrictive regulatory requirements to be adhered to in the context of the maintenance and operation of the Network, the Protocol and/or the Blockchain SXE-Ledger. Any such regulatory requirement could restrict the Issuer and/or its affiliates from operating the Network, the Protocol and/or the Blockchain SXE-Ledger and subject them to ongoing regulatory scrutiny. Further, the Issuer and/or its affiliates may face severe financial implications to ensure compliance with such regulatory requirements.

TECHNOLOGY RISKS

The Network, the Protocol and the Blockchain SXE-Ledger are based on the novel and proprietary blockchain technology developed by the Issuer and/or its affiliates

The Network, the Protocol and the Blockchain SXE-Ledger are based on the novel and proprietary blockchain technology developed by the Issuer and/or its affiliates. As a novel technology, the utilized blockchain technology may be subject to unforeseen technical challenges, bugs, security vulnerabilities, or system failures. These issues could disrupt the functionality or impair the proper operation of the Network, the Protocol and/or the Blockchain SXE-Ledger and, as a consequence, restrict the Holders’ ability to initiate transactions in SXE and/or Transactions. Furthermore, as the technology has not been widely tested over time or in various market conditions, there may be unexpected performance issues or inefficiencies. Any technical disruptions in the blockchain technology underlying the Network, the Protocol and the Blockchain SXE-Ledger could result in significant operational disruptions, data loss, theft, unauthorized transfers of SXE and Tokens and unauthorized access to sensitive information relating to the Holders.

The technology underlying the Network, the Protocol and the Blockchain SXE-Ledger was developed and is maintained by the Issuer and/or certain of its affiliates

The technology underlying the Network, the Protocol and the Blockchain SXE-Ledger was developed and is maintained by the Issuer and/or certain of its affiliates, leading to a concentration of the responsibility for ensuring the correct functioning of the Network, the Protocol and/or the Blockchain SXE-Ledger. The Issuer and/or its affiliates are solely responsible for the maintenance, updates, and security of the Network, the Protocol and/or the Blockchain SXE-Ledger. Any failure by the Issuer or any of its affiliates to properly maintain or secure the proprietary blockchain technology underlying the Network, the Protocol and/or the Blockchain SXE-Ledger could result in significant operational disruptions, data loss, theft, unauthorized transfers of SXE and Tokens and unauthorized access to sensitive information relating to the Holder. Further, any disruptions in the Network, the Protocol and/or the Blockchain SXE-Ledger could impair the Holders' ability to dispose their SXE and/or Notes.

The functioning of the Network and the Protocol is dependent on the validation efforts of the Nodes

Transactions and transactions in SXE (such as interest payments from the Issuer to the Holders under the Notes) must be verified by the Nodes to be validly recorded on the Blockchain SXE-Ledger. For a transaction in SXE or a Transaction to be verified and recorded on the Blockchain SXE-Ledger, a minimum of 16 Nodes (consisting of the initiating Node and a minimum of 15 other Nodes within the relevant Subnet) must participate in the SXE Consensus Process. The proper functioning of the Network and the Protocol (including the recording of Transactions on the Blockchain SXE-Ledger) is dependent on the participation of a defined minimum number of Nodes and correct verifications efforts in accordance with the SXE Consensus Process. Any failure or delay by the Nodes to correctly verify transactions on the Blockchain SXE-Ledger in accordance with the SXE Consensus Process or the unavailability of sufficient Nodes at a given time may lead to disruptions on the Blockchain SXE-Ledger that may impair the Holders' ability to dispose their SXE and/or Notes.

The Nodes are independent validators and the Issuer cannot exert any influence over the Nodes in relation to the validation of transactions in SXE and Transactions

The Nodes are independent validators and should perform their verification efforts in accordance with the SXE Consensus Process. While the Nodes must complete the KYC process implemented on the Protocol and must acquire a software license, they are independent from the Issuer and its affiliates. As a consequence, the Issuer cannot exert any influence over the Nodes in relation to the validation of a transaction in SXE or a Transaction. Furthermore, as independent validators, the Nodes may be subject to technical and/or operational disruptions over which the Issuer has no control that could affect their ability to correctly validate transactions in SXE and Transactions in a timely manner.

The Network, the Protocol and the Blockchain SXE-Ledger may become subject to malicious activities by third parties, such as hacking and fraud

The Network, the Protocol and the Blockchain SXE-Ledger are exposed to elevated risk of fraud and loss, including, but not limited to, through cyber-attacks and hacking. While the Issuer and/or its affiliates have taken measures to prevent theft or hacking, such an event cannot be excluded. Several exchanges specializing in sales of digital assets (such as, for example, Bitcoin) have already had to cease their activities or have been closed for other reasons, including, in some cases, due to the financial and reputational damages caused by cyber-attacks.

Digital assets, such as SXE and the Tokens, can be stolen. The Tokens and SXE are stored in an SXE Wallet, accessible via the private key relating to such SXE Wallet, which can be compromised. By using the private key relating to an SXE Wallet, the owner of such private key is able to initiate transactions in the SXE and Transactions in respect of the Notes, in each case stored therein, effectively transferring the relevant SXE or Tokens to another SXE Wallet. Therefore, if the private key relating to an SXE Wallet is compromised, the SXE and Tokens stored therein can be stolen or fraudulently transferred. Unlike traditional banking transactions, once a SXE or a Token has been transferred and verified on the Blockchain SXE-Ledger, such transfer cannot be reversed and any holder of an SXE Wallet will need to seek redress for any theft or fraudulent transfer through the appropriate legal system, which process could be both costly, time consuming and/or unsuccessful.

The Blockchain SXE-Ledger may become subject to 51% and/or double spending attacks

Due to the technical processes underlying the Blockchain SXE-Ledger (such as the SXE Consensus Process) and the measures implemented by the Issuer and/or its affiliates, it is unlikely that the Blockchain SXE-Ledger will become subject to a successful 51% and/or double spending attack (see clause 3 (*Description of the Blockchain SXE-Ledger*) of the Registration Terms). However, it cannot be excluded that such a malicious attack is successful.

If a group of Nodes acting in concert, control (even temporarily) a majority of the network mining power (known as hash power) of the Blockchain SXE-Ledger, they could use this control to undertake harmful acts. Such an attack is called a “51% attack”. For example, an individual or group controlling a majority of the Blockchain SXE-Ledger can disrupt the SXE Consensus Process. Furthermore, they could allow for their SXE to be spent on multiple occasions and would, in this scenario, have enough network control to confirm and record these transactions on the Blockchain SXE-Ledger, in an attack referred to as “double spending”.

RISKS RELATING TO THE NOTES

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of such investment in light of its own circumstances. In particular, each potential investor should:

- (a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus;
- (b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes where the Specified Currency or the currency for interest payments is different from the currency in which such potential investor’s financial activities are principally denominated;
- (d) understand thoroughly the applicable Terms and Conditions of the Notes; and
- (e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Under certain circumstances the maturity of the Notes will be automatically extended to the Extended Maturity Date

If on the date falling 45 days prior to the Scheduled Maturity Date for the Notes of a particular Series, the aggregate amount of USD in the Relevant Accounts relating to such Series on such date is less than the applicable Series Minimum Pledged Funds Amount on such date, then the Final Redemption Amount for such Notes will be automatically deferred and shall not be due and payable until the applicable Extended Maturity Date. In such case, Holders may face reinvestment risk since they will not receive the Final Redemption Amount at the originally expected time, and this uncertainty can complicate financial planning and may result in reinvesting at lower interest rates than those available at the Scheduled Maturity Date.

The Notes may be redeemed prior to maturity at the Issuer’s option upon a Tax Event and, if so specified in the applicable Final Terms, on any Optional Redemption Date

The General Terms and Conditions provide that the Notes of a relevant Series are redeemable at the Issuer’s option in whole but not in part upon a Tax Event. In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the Issuer’s option pursuant to an Issuer Call, such Notes will be redeemable at the Issuer’s option in whole but not in part on any Optional Redemption Date. Accordingly, upon the occurrence of a Tax Event or on any Optional Redemption Date, as the case may be, the Issuer may choose to redeem the relevant Notes at times when its cost of alternative

borrowing is lower than the interest rate on the relevant Notes. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. Potential investors should consider whether and how to reinvest the proceeds of such redemption in light of other investments available at that time. There can be no assurance that Holders will be able to reinvest the redemption proceeds at a rate that will provide the same rate of return as their investment in the relevant Notes. During any period when the Issuer has the right to elect to redeem the relevant Notes, the market value of the relevant Notes generally will not rise substantially above the price at which they can be redeemed. There is no requirement to redeem the relevant Notes or any other debt of the Issuer on a *pro rata* basis or otherwise should the Issuer exercise its right to redeem the relevant Notes upon the occurrence of a Tax Event or pursuant to an Issuer Call.

Any election by the Issuer to redeem the Notes of a Series prior to maturity will be subject to the aggregate amount of USD in the Relevant Accounts relating to such Series on such date being equal to or greater than the Series Minimum Pledged Funds Amount on the date on which the relevant Early Redemption Notice is to be published. This requirement may result in the Issuer not being able to redeem the relevant Notes even when it would appear likely to do so.

In order to receive a payment under the Notes in any currency other than SXE, a Holder must make certain elections and provide certain information to the Issuer in accordance with the procedures set out in the Terms and Conditions of the Notes and the failure to make such elections and/or provide such information will lead to such payment being made in SXE or, in certain cases, being forfeited

Other than in the case of interest payments under the Notes, each Holder will be given the opportunity to elect to receive any other payment under some or all of its Notes in the Specified Currency or any Alternative Settlement Currency. However, in order to do so, the relevant Holder must deliver to the Issuer through the Network a duly completed Settlement Currency Election Notice in respect of the applicable Notes within the applicable time period required under the Terms and Conditions of the Notes. See Condition 5(e) (*Redemption and Purchase – Settlement Currency Election Notice*) for further details.

In addition, any Settlement Currency Election Notice must designate the Holder's Specified Account, which must be with a bank in an Eligible Jurisdiction and such bank must be able to accept funds in the Specified Currency or the applicable Alternative Settlement Currency (whichever is specified in such notice). Potential investors in Notes should be aware that in order for a bank to be in a jurisdiction that is an Eligible Jurisdiction:

- (a) it must be in:
 - (i) the United States; or
 - (ii) Switzerland; or
 - (iii) in any jurisdiction that is not (x) the subject of any sanctions administered by the United Nations Security Council, the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of Commerce, the U.S. Department of State, the Swiss government, the European Union, His Majesty's Treasury or any other body, governmental or other, to which the Issuer is subject, and/or (y) named a High Risk Jurisdictions by the Financial Action Task Force (the "FATF") (*i.e.*, is on the "black list" published by the FATF), and/or (z) named a Jurisdiction under Increased Monitoring by the FATF (*i.e.*, is on the "grey list" published by the FATF); and
- (b) such jurisdiction must meet any other additional requirements set forth in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) of Condition 5 (*Redemption and Purchase*), in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*) or in the applicable Early Redemption Notice, as applicable. The Issuer may determine any such additional requirements at such time in its sole discretion.

If the relevant Holder is unable to designate a Specified Account that meets the foregoing requirements, it will not be considered to have delivered a duly completed Settlement Currency Election Notice in respect of the relevant Notes. See Condition 5(e) (*Redemption and Purchase – Settlement Currency Election Notice*) for further details.

If a Holder does not deliver a duly completed Settlement Currency Election Notice within the time period required by the Terms and Conditions of the Notes in respect of any of its Notes, the Final Redemption Amount in respect of such Notes will be paid in SXE. In addition, if a Holder has so delivered a Settlement Currency Election Notice in respect of any of its Notes, but subsequently transfers any such Notes, such Settlement Currency Election Notice will be automatically revoked at the time of such transfer and, if the person that becomes the Holder of such Notes as a result of such transfer wishes to receive the relevant payment relating to such notice in the Specified Currency or any Alternative Settlement Currency, such person will be required to deliver its own Settlement Currency Election Notice in respect of such Notes in accordance with the procedures described above.

If an SXE Payment Interruption Event has occurred and is continuing on the Scheduled Due Date for any payment (including any interest payment) under any Note that is to be made in SXE, such payment will be delayed in accordance with subclause (iv) of Condition 6(a) (*Payments – Payments in SXE*). If such SXE Payment Interruption Event is still continuing on the date falling 90 days following the applicable Scheduled Due Date (*i.e.*, the Cut-Off Date), the relevant Holder will be given the opportunity to elect to receive such payment in USD and, unless and until such Holder elects to receive such payment in USD in accordance with the applicable procedures specified by the Issuer, such Holder will not be entitled to payment thereof until the date on which such SXE Payment Interruption Event is no longer continuing and no subsequent SXE Payment Interruption Event has occurred and is continuing. Notwithstanding the foregoing, if such SXE Payment Interruption Event is continuing on the date falling five years after the Cut-Off Date, and the relevant Holder has not elected prior to such date to receive the relevant payment in USD as described above, such Holder will forfeit such payment and all its rights for payment of such payment will become null and void. See also “—*In respect of any payment under the Notes that is required to be made in SXE, the occurrence of an SXE Payment Interruption Event may lead to a delayed payment and, in certain cases, such payment being made in USD*” below.

A currency that is designated as an Alternative Settlement Currency in the applicable Final Terms will no longer qualify as an Alternative Settlement Currency if it is the currency of a jurisdiction that becomes an Ineligible Jurisdiction

Other than in the case of interest payments under the Notes, each Holder will be given the opportunity to elect to receive any other payment under some or all of its Notes in any Alternative Settlement Currency (see “—*order to receive a payment under the Notes in any currency other than SXE, a Holder must make certain elections and provide certain information to the Issuer in accordance with the procedures set out in the Terms and Conditions of the Notes and the failure to make such elections and/or provide such information will lead to such payment being made in SXE or, in certain cases, being forfeited*” above).

An initial list of the currencies qualifying as an Alternative Settlement Currency will be specified in the applicable Final Terms. In addition, the Issuer may specify additional currencies that qualify as Alternative Settlement Currencies in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) of Condition 5 (*Redemption and Purchase*), in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*) or in the applicable Early Redemption Notice, as applicable. However, whether any such currency is specified in the applicable Final Terms on in any such notice, it will no longer qualify as an Alternative Settlement Currency, and a Holder may not elect to receive the relevant payment in such currency, if such currency is no longer the currency of a jurisdiction that is an Eligible Jurisdiction. Potential investors in Notes should be aware that in order for a jurisdiction to be an Eligible Jurisdiction:

- (a) it must be in:
 - (i) the United States; or
 - (ii) Switzerland; or
 - (iii) in any jurisdiction that is not (x) the subject of any sanctions administered by the United Nations Security Council, the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of Commerce, the U.S. Department of State, the Swiss government, the European Union, His Majesty’s Treasury or any other body, governmental or other, to which the Issuer is subject, and/or (y) named a High Risk Jurisdictions by the FATF (*i.e.*, is on the “black list” published by the FATF), and/or

(z) named a Jurisdiction under Increased Monitoring by the FATF (*i.e.*, is on the “grey list” published by the FATF); and

- (b) such jurisdiction must meet any other additional requirements set forth in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) of Condition 5 (*Redemption and Purchase*), in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*) or in the applicable Early Redemption Notice, as applicable. The Issuer may determine any such additional requirements at such time in its sole discretion.

Holders will have to rely on the Blockchain SXE-Ledger and the Network in connection with certain transactions relating to the Notes and to communicate with the Issuer and the Collateral Agent

Transactions in relation to the Notes (including, without limitation, any transfer of legal title to a Note or other Transaction and the making and receiving of interest payments on the Notes and any other payments on the Notes required to be made in SXE) can be done only on the Blockchain SXE-Ledger, and communications between a Holder, on the one hand, and the Issuer or the Collateral Agent, on the other hand may be carried out only via the Network. Consequently, Holders will have to rely on the Blockchain SXE-Ledger and the Network for such purposes. In addition, in order to access and interact with the Network and the Blockchain SXE-Ledger, a Holder will need to rely on a computer, smartphone or any other internet-facing device with an active email application or enabled SMS functionality.

For a description of certain risks relating to the Blockchain SXE-Ledger and the Network, see the risks factors set out under the sections “*Risks relating to the Network, the Protocol, the Blockchain SXE-Ledger and SXE*” and “*Technology Risks*” above.

Transactions in relation to the Notes, including the transfer thereof and the receipt of interest (and other) payments on the Notes made in SXE, can only be done on the Blockchain SXE-Ledger and are subject to a gas fee

Each transaction (including, without limitation, any transfer of legal title to a Note or other Transaction and the making and receiving of interest payments on the Notes and any other payments on the Notes required to be made in SXE) on the Blockchain SXE-Ledger is subject to a gas fee (the “**Gas Fee**”). The amount of the Gas Fee for a particular transaction will be determined as set out in the Shakti Coin White Paper (Parts I to IV) published by the Swiss-ShaktiFDN. The Gas Fee will be payable in SXE and deducted from the SXE Wallets of the parties involved in the relevant transaction. See clause 2(d) of the Registration Terms for more details. If one of the parties does not have sufficient SXE in its SXE Wallet to pay its share of the Gas Fee, then the relevant transaction will not be able to be consummated.

In respect of any payment under the Notes that is required to be made in SXE, the occurrence of an SXE Payment Interruption Event may lead to a delayed payment and, in certain cases, such payment being made in USD

If the Issuer determines that an SXE Payment Interruption Event has occurred and the Scheduled Due Date for any payment under the Notes of any Series that is to be made in SXE falls on a date on which such SXE Payment Interruption Event is continuing, then such payment will be postponed until two Business Days following the date on which the Issuer determines that such SXE Payment Interruption Event is no longer continuing, and the applicable Holder will not be entitled to any further interest or other payment in respect of such delay.

However, if such SXE Payment Interruption Event is still continuing on the date falling 90 days following the applicable Scheduled Due Date (*i.e.*, the Cut-Off Date), then the relevant Holder will be able to elect to receive the relevant payment from the Issuer in USD and, unless and until such Holder elects to receive such payment in USD in accordance with the applicable procedures specified by the Issuer, such Holder will not be entitled to payment thereof until the date on which such SXE Payment Interruption Event is no longer continuing and no subsequent SXE Payment Interruption Event has occurred and is continuing. If such Holder does not elect to receive such payment in USD in accordance with such procedures prior to the date falling five years after the Cut-Off Date, all its rights for payment of such payment will become null and void. See also “—*In order to receive a payment under the Notes in any currency other than SXE, a Holder must make certain elections and provide certain information to the Issuer in accordance with the procedures set out in the Terms and Conditions of the Notes and the failure to make such elections and/or*

provide such information will lead to such payment being made in SXE or, in certain cases, being forfeited” above.

Any determination, decision or election made in connection with the occurrence of an SXE Payment Interruption Event (including the determination as to whether one has occurred and is continuing) will be made in the sole discretion of the Issuer and, consequently, may present the Issuer with a conflict of interest.

See subclause (iv) of Condition 6(a) (*Payments – Payments in SXE*) for more details on the effect of an SXE Payment Interruption Event.

In order to become an investor in the Notes, to hold or transfer legal title to the Notes, and/or to receive payments under the Notes in SXE, a Holder (and, in the case of any transfer, the relevant transferee) must be a participant in the Network and create, maintain and have continued access to an SXE Wallet

In order to acquire, hold and transfer legal title to Notes, and to receive payments under Notes that are to be made in SXE, the relevant Holder must be a participant in the Network and create, maintain and have continued access to (including through use of or access to the relevant credentials) an SXE Wallet. In the case of any payment under a Note that is required to be made in SXE, if on the Scheduled Due Date for such payment the relevant Holder is not a participant in the Network or is a participant in the Network but has not created or maintained an SXE Wallet, such Holder will not be entitled to receive such payment.

In addition, the Notes can only be transferred to a person that is a participant in the Network that has created and maintained a SXE Wallet, which may limit the transferability of the Notes.

See the Registration Terms and the section of this Base Prospectus titled “*Overview of the Project*” for details on creating and maintaining an SXE Wallet.

The Issuer may, without consent of the Holders, substitute a controlled subsidiary as issuer of the Notes

Under the General Terms and Conditions, the Issuer may, without the consent of the Holders and subject to certain conditions, substitute for itself any direct or indirect controlled subsidiary of the Swiss-ShaktiFDN as issuer under the Notes. So long as the conditions described in Condition 15 (*Issuer Substitution*) are satisfied, such subsidiary may be an entity incorporated in a jurisdiction other than Switzerland or having a different form from the Issuer. In such a case, the rights of holders of Notes under the laws of the jurisdiction of such subsidiary may differ from the rights of holders of Notes against the Issuer under the laws of Switzerland. For example, other types of entities or entities formed in other jurisdictions may be subject to different insolvency regimes or may not be subject to suit in the same manner. As a result, holders of Notes may be required to comply with legal procedures for making a claim or enforcing an action against the Substitute Issuer specific to the jurisdiction or form of incorporation of the Substitute Issuer that differ from the legal procedures required for making a claim or enforcing an action against the Issuer under the laws of Switzerland.

In certain instances, Holders may be bound by certain amendments to the Terms and Conditions of the Notes to which they did not consent

Except as otherwise specified in Condition 14 (*Meetings of Holders; Amendments without Holder Consent*), the provisions of bondholder meetings contained in article 1157 *et seqq.* of the Swiss Code of Obligations apply in relation to meetings of Holders. These provisions permit defined majorities to bind all Holders of the Notes of the relevant Series, including Holders who did not attend and vote at the relevant meeting and Holders who voted in a manner contrary to the majority. Pursuant to the relevant statutory provisions of Swiss law as in effect as at the date of this Base Prospectus, (i) the Issuer will be required to provide Holders with at least ten days’ notice of any meeting of Holders, (ii) the Issuer will be required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Notes that represents at least one-twentieth of the outstanding aggregate principal amount of the Notes of the relevant Series, and (iii) only Holders or their proxies will be entitled to attend or vote at a meeting of Holders. For more information on such provisions of Swiss law as in effect as at the date of this Base Prospectus, including the applicable Holder approval requirements for amendments to the terms of the Notes, see the section of this Base Prospectus titled “*Meetings of Holders*”.

Notwithstanding the provisions of Swiss law described above, the General Terms and Conditions permit the Issuer to make, without the consent or approval of the Holders, such amendments to the applicable Terms and the Conditions of the Notes that it considers to be (i) necessary or desirable to give effect to the

provisions of Condition 15 (*Issuer Substitution*), (ii) formal, minor or technical in nature, (iii) necessary to correct a manifest error, or (iv) not materially prejudicial to the interests of the Holders.

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur or guarantee

There is no restriction on the amount or type of further securities or indebtedness that the Issuer may issue, incur (by assumption or otherwise) or guarantee, as the case may be, that rank senior to, or *pari passu* with, any Notes offered hereby. The issue, incurring or guaranteeing of any such further securities or indebtedness may reduce the amount recoverable by Holders under any Notes upon a dissolution or winding-up of the Issuer. In addition, the Notes will not contain any restriction on the Issuer issuing, incurring or guaranteeing securities that may have preferential rights to the Notes and will not require the Issuer to achieve or maintain any minimum financial results.

The Notes will not be covered by any government compensation or insurance scheme or have the benefit of any government guarantee

An investment in the Notes will not be covered by any compensation or insurance scheme of any government agency of Switzerland or any other jurisdiction, and no Notes will have the benefit of any government guarantee. Any Notes will be the obligations of the Issuer only and holders must solely look to the Issuer for the performance of its obligations under such Notes. In the event of the Issuer's insolvency, a holder may (depending on the realizable value of the Collateral securing the Notes of the relevant Series) lose all or some of its investment in the relevant Notes.

There is no active trading market for the Notes

The Notes of each Series are a class of debt securities that have never been traded. To the extent that an active trading market in the Notes does not develop, the liquidity and trading prices for the Notes will be harmed. An active trading market for any Series of Notes may not develop, or if one does develop, it may not be sustained.

The Issuer may, but is not obliged to apply to have any Series of Notes be listed, admitted to trading and/or quoted by any listing authority, stock exchange and/or quotation system. In cases where Notes are not so listed, admitted to trading or quoted, pricing information may be more difficult to obtain, and the liquidity of such Notes may be adversely affected. Even if any Notes are so listed, admitted to trading or quoted, there can still be no assurance as to the development or liquidity of any trading market for any such Notes and one may never develop.

The Notes may not be held or transferred in an amount less than the minimum specified denomination

In relation to any Series of Notes that has denominations consisting of a minimum denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum denomination.

In such a case a holder who, as a result of trading such amounts, holds a principal amount of less than the minimum denomination would need to purchase an additional amount of Notes such that it holds an amount equal to at least the minimum denomination to be able to trade such Notes. Holders should be aware that Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

The Notes, the Issuer and SXE are each expected to be unrated and are likely to remain so throughout the life of the Notes

The Issuer currently expects that neither it nor any of the Notes nor SXE will be rated and that they will each remain unrated during the life of the Notes. Furthermore, without such ratings, the Notes may not be accepted by certain investors who require such ratings for purposes of investment criteria or guidelines with which such investor or its investments is or are required to comply (whether by any present or future applicable law or regulations or by its own by-laws or other governing rule or investment portfolio mandates) or to meet its expectations or objectives. This could limit the pool of potential investors in the Notes and adversely affect the liquidity and pricing of the Notes.

The Notes will not be subject to independent verification or certification under established social bond frameworks

There is no independent verification of the social benefits associated with the Notes, and the Notes have not been and will not be certified by any third-party organization. The absence of third-party certification or verification of the Notes may lead to skepticism among investors regarding the actual impact of their investment, potentially resulting in reduced demand for Notes. If investors perceive that the Notes do not meet expected standards, it could harm the Swiss-ShaktiFDN's reputation and negatively impact the Project. Furthermore, without such certification or verification, the Notes may not be accepted by certain investors who require such certification or verification for purposes of investment criteria or guidelines with which such investor or its investments is or are required to comply (whether by any present or future applicable law or regulations or by its own by-laws or other governing rule or investment portfolio mandates) or to meet its expectations or objectives. This could limit the pool of potential investors in the Notes and adversely affect the liquidity and pricing of the Notes.

Only 10% of the net proceeds from each issuance of Notes will be used in furtherance of the Project

The Net Proceeds from the issuance of each Tranche of Notes will be used by the Issuer in accordance with the Terms and Conditions of the Notes. This means that only 10% of the Net Proceeds from each such issuance will be applied in furtherance of the Project. The remaining 90% of the Net Proceeds from any such issuance must be converted (if necessary) into USD and deposited on the relevant Issue Date in one or more Relevant Accounts, which will be designated by the Security Provider as exclusive to the Series of which such Tranche forms a part. The Notes of the relevant Series will be secured by a security interest in such Relevant Accounts.

Since the Relevant Accounts will be managed by the relevant Investment Manager (or otherwise invested) in accordance with the Fund Management Framework, the aggregate amount of USD therein at any given time is expected to fluctuate through the life of the Notes of the relevant Series. However, only if the aggregate amount of USD therein exceeds certain thresholds during the relevant Reinvestment Period may the Security Provider withdraw amounts from such Relevant Accounts for purposes of applying them in furtherance of the Project. Otherwise, the Issuer will have to rely on other financial resources to further the Project, such as donations, grants and other forms of charitable funding, which may be difficult to obtain or insufficient to further the Project. See “Risks relating to the Issuer—The Issuer is a Swiss foundation with a charitable purpose and no commercial income” above.

The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of such Series or of any other Series.

The Swiss-ShaktiFDN may amend the Fund Management Framework (including the Eligible Investment Manager List) without the consent of the Holders

So long as such amendment does not conflict with the applicable Terms and Conditions of the Notes, the Swiss-ShaktiFDN may, without the consent of any Holder, amend the Fund Management Framework (which includes the Eligible Investment Manager List) in accordance with the terms thereof. In the event of such an amendment, a Holder will have no recourse, other than to attempt to sell its affected Notes, even if such Holder disagrees with such amendment or such amendment has an adverse effect on its affected Notes, including the Collateral securing the Notes of the relevant Series.

The role of Collateral Agent will initially be fulfilled by an affiliate of the Issuer and there is no guarantee that the Issuer will be able to appoint an independent third party as Collateral Agent on or before the first anniversary of the Initial Program Issuance Date or at all

Pursuant to the terms of the Collateral Agency Agreement, the Issuer and the Security Provider have initially appointed their affiliate Shakti Collateral Agent, LLC, a limited liability company organized under the laws of Delaware in the United States, as Collateral Agent. In fulfilling its duties under the Collateral Agency Agreement, the Collateral Agent will have broad discretion. For so long as an affiliate of the Issuer is appointed as the Collateral Agent, any exercise of such discretion may present the Issuer or such affiliate with a conflict of interest.

Pursuant to clause (b) of Condition 10 (*Collateral Agent*), in respect of each Series of Notes to be issued, the Issuer will undertake to use its good faith reasonable efforts to, on or before the first anniversary of the Issue Date for first Tranche of Notes issued under the Program and in accordance with the Collateral Agency Agreement, appoint a Person that is (x) an independent third party of recognized standing and expertise, (y) domiciled in the United States, and (z) experienced in performing the duties to be performed by the Collateral Agent under the Collateral Agency Agreement and the Collateral Agreements relating to, and the Terms and Conditions of the Notes applicable to, such Series as successor Collateral Agent. However, there can be no assurance that the Issuer will be able to appoint such a Person within such time frame or at all. In such case, such inability to appoint such a Person will not constitute a default under the Terms and Conditions of the Notes.

Each Series of Notes will be only be secured by the Collateral, which will be managed by one or more third party Investment Managers (or otherwise invested) in accordance with the Fund Management Framework, and the value of such Collateral can be expected to fluctuate throughout the life of the Notes of such Series, which may result in such Notes remaining, or becoming even further, undercollateralized

90% of the Net Proceeds from the issuance of each Tranche of Notes will be converted, if necessary, into USD (the “**Initial Invested Amount**”) and deposited on the relevant Issue Date in one or more Relevant Account(s). The Relevant Accounts will be deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada and established by the Security Provider, and designated by the Security Provider as exclusive to the Series of which such Tranche forms a part. The Notes of the relevant Series will be secured by a security interest in the Relevant Accounts, as more particularly described in Condition 3 (*Status and Collateralization*) in the General Terms and Conditions. The Notes will not be secured by a security interest in any other assets.

Each Relevant Account will be managed by an Investment Manager (or otherwise invested) in accordance with the Fund Management Framework. Accordingly, the value of the Relevant Accounts will be subject to market risks and the performance of the underlying investments. These risks include, but are not limited to, fluctuations in market prices, interest rates, and economic conditions. So long as it manages the Relevant Account within the parameters of the Fund Management Framework, the relevant Investment Manager may invest in a variety of asset classes, including equities, fixed income, and alternative investments, each of which carries its own set of risks. Poor performance of these investments could lead to a decline in the value of the Collateral under such Investment Manager’s management, thereby increasing the risk of loss for Holders. Consequently, the amounts in the Relevant Accounts for a Series of Notes (and, consequently, the value of the Collateral securing the Notes of such Series) can be expected to fluctuate during the life of such Notes. There can be no assurance that the amounts in the Relevant Accounts for a Series of Notes will ever exceed, and will not fall significantly below, the aggregate Initial Invested Amounts, resulting in the Notes being undercollateralized.

Furthermore, while the relevant Investment Manager will be required to manage the Relevant Account in accordance with the Fund Management Framework, there will be no requirement for such Investment Manager to maintain a minimum of cash or cash equivalents in that Relevant Account (or for the relevant Investment Managers to maintain an aggregate minimum of cash or cash equivalents in the Relevant Accounts for a particular Series of Notes). As a result, one or more Relevant Accounts may be heavily invested in illiquid or volatile assets, which could significantly impact the liquidity and value of the Collateral securing the Notes of the relevant Series. In the event of a market downturn or other adverse conditions, the value of the Collateral securing the Notes of a Series could decrease substantially, potentially impairing the relevant Holders’ ability to recover their investment in the Notes of such Series.

The Collateral securing the Notes of each Series consists solely of pledged Relevant Accounts, which will be managed by (third-party) Investment Managers (or otherwise invested) in accordance with the Fund Management Framework. The performance and value of the Relevant Accounts is directly influenced by the decisions and actions of these Investment Managers. The Holders are exposed to the risk that these Investment Managers may not act in the best interests of the Holders or may make investment decisions that adversely affect the value of the Collateral under their management. The Holders have no control over the investment strategies and decisions of these Investment Managers.

In addition, if the relevant Investment Managers’ investment strategies are successful and the amounts in the Relevant Accounts for a Series of Notes (and, consequently, the value of the Collateral securing the Notes of such Series) exceed the aggregate Initial Invested Amounts for such Series, the Security Provider

will be able to withdraw amounts therefrom for purposes of applying them in furtherance of the Project if the aggregate amount of USD therein exceeds a certain threshold. In particular, during the relevant Reinvestment Period, the Security Provider will be able to withdraw amounts if the aggregate amount of USD therein exceeds (and following such withdrawal remains at or above) the percentage of the aggregate principal amount of the Notes of the relevant Series outstanding at such time that is specified in the applicable Final Terms as the “Applicable Percentage” (which percentage is expected to be less than 100%, but no less than 90%). Thereafter, the Security Provider will only be able to do so if the aggregate amount of USD therein exceeds (and following such withdrawal remains at or above) the 100% of the aggregate principal amount of the Notes of the relevant Series outstanding at such time. The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of the relevant Series or of any other Series.

Notwithstanding the above, potential investors in Notes should be aware that the Issuer may not have appointed, and is not required to have appointed, an Investment Manager in respect of each Relevant Account into which the Initial Investment Amount is deposited on the relevant Issue Date. If an Investment Manager has not been appointed to manage a particular Relevant Account, then, in accordance with the Fund Management Framework, the amounts in such Relevant Account will be invested in low-risk investment options, such as money market funds, U.S.-listed exchange-traded funds and index funds, and U.S. Treasury securities (including T-bills, T-notes, and T-bonds), until such time as an Investment Manager can be appointed.

The Issuer, the Security Provider and the Collateral Agent may amend the terms of the Collateral Agency Agreement without the consent of the Holders

So long as such amendment does not conflict with the applicable Terms and Conditions of the Notes, the terms of the Collateral Agency Agreement provide that the Issuer, the Security Provider and the Collateral Agent may, without the consent of any Holder, agree to amend the provisions thereof. In the event of such an amendment, a Holder will have no recourse, other than to attempt to sell its affected Notes, even if such Holder disagrees with such amendment or such amendment has an adverse effect on its affected Notes, including the Collateral securing the Notes of the relevant Series. In particular, in connection with the Issuer’s obligation under clause (b) of Condition 10 (*Collateral Agent*) to use its good faith reasonable efforts to appoint, on or before the first anniversary of the Issue Date for first Tranche of Notes issued under the Program, an independent third party as Collateral Agent, any such third party may request that changes to the terms of the Collateral Agency Agreement be made as a condition of its acceptance of such appointment.

Realization of Collateral

If the amounts received upon the realization of Collateral securing the Notes of the relevant Series are not sufficient to fully cover all amounts due and unpaid or payable to the Collateral Agent (or any Appointee) and all amounts then due and unpaid to the Account Bank(s), in each case as set out in the Collateral Agency Agreement, and the Issuer’s payment obligations to Holders of Notes of such Series, then there is a risk that Holders may incur a loss, which may be significant. Realization of Collateral securing the Notes of a Series takes place only following the occurrence of the Event of Default in respect of such Series of Notes. In addition, Holders’ claims to the amounts received from the realization of the Collateral securing the Notes of the relevant Series may only be satisfied once the amounts payable to the Collateral Agent (and any Appointee) and the Account Banks(s) have been made in full as described above. As a result, the collateralization of the Notes of a Series can mitigate the credit risk of the Issuer only to the extent that the amounts received from the realization of the Collateral securing the Notes of such Series cover both payment of the Collateral Agent (and any Appointee) and the Account Banks(s) as described above and the claims of the Holders of the Notes of such Series.

Furthermore, no Holder will be entitled to proceed directly against the Issuer, the Security Provider or any other Person that is a party to any Collateral Agreement relating to the relevant Series unless such Holder has first sought enforcement of the Security for the Notes of such Series in accordance with the Collateral Agency Agreement. A failure by the Collateral Agent to perform its obligations with respect to the Collateral securing the Notes of a Series or to perform its obligations in a timely or efficient manner may adversely affect the realization of the Collateral securing the Notes of such Series and the amount distributable or deliverable to Holders of the Notes of such Series.

The Collateral Agent will not be required or obliged to take any action or step or institute any proceedings whether in relation to the enforcement of the Security for the Notes of any Series or otherwise without first being indemnified and/or secured and/or pre-funded to its satisfaction.

The Notes are issued in the form of Tokens qualifying as novel ledger based securities within the meaning of Swiss law, which are not yet widely adopted in the financial markets

The Tokens representing the Notes are novel ledger based securities within the meaning of Swiss law. Ledger based securities are not yet widely adopted in the financial markets and, in the form of the Notes, are currently not eligible for admission to trading on a Swiss trading venue. This limited adoption and ineligibility may limit the transferability and the tradability of the Notes on the secondary market. Moreover, an acquisition of the Tokens representing the Notes requires that the acquirer has obtained and maintains an SXE Wallet, thus further limiting the number of potential acquirers of the Notes.

The Tokens representing the Notes are governed by the Registration Terms under which the Issuer may activate a pause function upon the occurrence of certain events, preventing the Holders from executing transactions relating to the Notes

Under the Registration Terms, the Issuer may activate the Pause Function upon the occurrence of a Technical Disruption Event and during the support and maintenance phases, in particular, regarding software updates, security patches, node performance optimization. During the activation of the Pause Function, it will not be possible to initiate and/or record Transactions on the Blockchain SXE-Ledger, restricting the ability of the Holders to dispose over their Tokens.

The Notes are issued as ledger based securities in accordance with Swiss law and, while the legal validity of the Tokens underlying the Notes is recognized in Switzerland, the Tokens and the legal entitlements represented by the Token may not be recognized in other jurisdictions

The Notes are issued in the form of Tokens constituting ledger based securities in accordance with Swiss law. The legal validity of, and the legal entitlements to, the Tokens representing the Notes is regulated in article 973d *et seq.* of the Swiss Code of Obligations and, therefore, recognized in Switzerland. However, the Tokens and the legal entitlements represented by the Tokens may not be recognized in other jurisdictions. This may lead to it being difficult for a Holder to prove its ownership of the Tokens representing its Notes outside of Switzerland and/or to comply with the applicable non-Swiss tax, regulatory, reporting or disclosure obligations or other requirements relating to the holding of the Notes outside of Switzerland.

The statutory (technical) requirements for the issuance of valid ledger based securities are subject to interpretation

Swiss law defines a number of technical requirements that a blockchain ledger must satisfy in order to create valid ledger based securities, such as the Tokens. Such requirements include the implementation of technical measures ensuring (i) the correct functioning of the utilized blockchain ledger, in particular, relating to the holders' unilateral (technical) power to dispose over the ledger based securities, (ii) the integrity and immutability of the utilized blockchain ledger and protection against unauthorized access, (iii) the accurate registration of the rights represented by the ledger based securities and availability of the applicable registration terms, and (iv) the independent verifiability of the utilized blockchain ledger. These requirements are subject to a considerable degree of interpretation and there is currently no published court practice clarifying the technical measures that must be implemented to create valid ledger based securities. Any failure by the Issuer in correctly implementing these requirements on the Blockchain SXE-Ledger may lead to the invalidity of the Tokens, resulting in considerable uncertainty regarding the ownership relating to the Notes represented by the Token.

There is no tax gross-up for Swiss Withholding Tax under the Notes under any circumstances

All payments of interest on the Notes will be subject to Swiss withholding tax, which as of the date of this Base Prospectus is levied at the rate of 35%. Consequently, the Issuer will be required to withhold tax at such rate from any payment of interest on the Notes, and no additional amounts will be paid by the Issuer to any Holder in respect of any such withholding. For more details, see the section of this Base Prospectus titled "Swiss Taxation—Withholding Tax".

RISKS RELATING TO THE MARKET GENERALLY

Exchange rate risks and exchange controls

The Issuer does not have any control over factors that generally affect exchange rate risks, such as economic, financial and political events and the supply and demand for applicable currencies. In recent years, exchange rates between certain currencies have been volatile and such exchange rate volatility with a variety of currencies may continue in the future.

Payments due under the Terms and Conditions of the Notes may be required to be made by the Issuer in different currencies as follows:

- (a) interest due on any Notes will be payable by the Issuer in SXE (or, under certain circumstances in the case of an SXE Payment Interruption Event, in USD); and
- (b) the principal in respect of each Note will be payable by the Issuer in the Specified Currency or any Alternative Settlement Currency that the relevant Holder may elect by delivery of a Settlement Currency Election Notice in respect of the relevant Note to the Issuer in accordance with the Terms and Conditions (or, if relevant Holder does not deliver such a Settlement Currency Election Notice in respect of the relevant Note, the principal in respect of such Note will be paid in SXE)

(each such currency in respect of the relevant payment, the “**Relevant Payment Currency**”).

If an investor’s financial activities are denominated principally in a currency or currency unit (the “**Investor’s Currency**”) other than the Relevant Payment Currency, it may therefore bear certain exchange rate risks. These include: (i) the risk that exchange rates may significantly change (including changes due to devaluation of the Relevant Payment Currency or revaluation of the Investor’s Currency); and (ii) the risk that authorities with jurisdiction over the Investor’s Currency may impose or modify exchange controls that could adversely affect an applicable exchange rate. Any appreciation in the value of the Investor’s Currency relative to the Relevant Payment Currency would decrease: (i) the Investor’s Currency-equivalent yield on the Notes; (ii) the Investor’s Currency-equivalent value of the principal payment on the Notes; and (iii) the Investor’s Currency-equivalent market value of the Notes.

In addition, if the Specified Currency in respect of a Series of Notes is not USD, the Fixed Coupon Amount payable on each Interest Payment Date will be converted into USD at the Prevailing Exchange Rate on the last Payment Business Day preceding such Interest Payment Date and paid in SXE. Similarly, if the Specified Currency in respect of a Series of Notes is not USD and any Redemption Amount in respect of any Notes is payable in SXE, the relevant Redemption Amount for such Notes will be determined by converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for such Notes into USD at the Prevailing Exchange Rate on the last Payment Business Day preceding the Maturity Date or the Early Redemption Date, as the case may be. Furthermore, if a relevant Holder elects to receive any payment of principal under some or all of its Notes in an Alternative Settlement Currency by delivering a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with the Terms and Conditions, the relevant Redemption Amount for such Notes will be determined by converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for such Notes into the relevant Alternative Settlement Currency at the Prevailing Exchange Rate on the day falling three Payment Business Days prior the Maturity Date or the Early Redemption Date, as the case may be. As a result of changes in exchange rates, any such conversion described above may negatively impact that yield that a Holder may receive on its Notes.

Changes in market interest rates may adversely affect the value of the Notes

The Notes of each Series will bear interest at a fixed rate. Consequently, an investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor in Notes should consult its legal advisers to assess the applicable Terms and Conditions of the Notes and to determine whether and to what extent (i) any Notes are legal investments for it, (ii) such Notes can be used as collateral for various types of borrowing,

and (iii) other restrictions apply to its purchase or pledge of such Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of any Notes under any applicable risk-based capital or similar rules.

Changes in law may adversely affect the rights of Holders under the Notes

The General Terms and Conditions are based on Swiss law in effect as at the date of this Base Prospectus and as completed, supplemented, modified and/or replaced by information in the relevant Final Terms. No assurance can be given as to the impact of any possible Swiss judicial decision or any change to Swiss law, including by way of emergency measures, or administrative practice during the life of any Notes.

Changes in laws after the date hereof may affect the rights and effective remedies of Holders under any Notes, as well as the market value of such Notes. Such changes in law may include changes in statutory, tax and regulatory regimes during the life of any Notes, which may have an adverse effect on investment in such Notes.

See also “—*The regulatory status of SXE may vary from jurisdiction to jurisdiction and may be subject to change*” and “—*The operation of the Network, the Protocol and the Blockchain SXE-Ledger may become subject to regulatory requirements*” under “*Risks relating to the Network, the Protocol, the Blockchain SXE-Ledger and SXE*” above and “—*The regulatory status of the Issuer may change*” under “*Risks relating to the Issuer*” above.

TERMS AND CONDITIONS OF THE NOTES

The Swiss Shakti Foundation (the “**Issuer**”) has established a program (the “**Program**”) under which it will issue SXE Digital SMART Notes (the “**Notes**”). The Notes will be issued in series (each, a “**Series**”), and each Series may comprise one or more tranches of Notes (each, a “**Tranche**”). The Notes of each Tranche of the same Series will have identical terms in all respects (or in all respects except for the issue date and/or the first date on which interest will be paid and/or the first date on which interest begins to accrue).

The general terms and conditions of the Notes are set out under “*General Terms and Conditions of the Notes*” (the “**General Terms and Conditions**”). The General Terms and Conditions do not reflect the terms and conditions of any specific Tranche of Notes. In connection with each Tranche of Notes, the Issuer will prepare final terms (the “**Final Terms**”), which will contain the information that specifically relates to that Tranche of Notes. In relation to each Tranche of Notes, the Final Terms will contain provisions that complete, and may contain provisions that supplement, modify and/or replace all or any part of, the General Terms and Conditions for the purpose of that Tranche alone.

Copies of the Final Terms for each Tranche of Notes can be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland (email: helpdesk@shakti.swiss). In the case of any Tranche of Notes to be publicly offered in Switzerland and/or with respect to which application will be made to admit such Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland, the applicable Final Terms will be filed with the Prospectus Review Office of BX Swiss AG in its capacity as review body pursuant to article 52 of the Swiss Financial Services Act of June 15, 2018, as amended (the “**FinSA**”) (in such capacity, the “**Swiss Review Body**”), and published in accordance with the FinSA as soon as the final terms of such Notes are available, but, in the case of an admission to trading, in any case no later than the first day of trading for such Notes on the relevant trading venue in Switzerland. The Final Terms for such Notes will not be reviewed or approved by the Swiss Review Body.

To determine the terms and conditions that apply to a particular Tranche of Notes, it is necessary to (i) refer to the General Terms and Conditions and (ii) consider the extent to which the General Terms and Conditions have been completed, supplemented, modified and/or replaced by the information contained in the applicable Final Terms. In relation to the terms and conditions of any Tranche of Notes, to the extent that there is any inconsistency between the General Terms and Conditions and the terms and conditions that appear in the applicable Final Terms, the terms and conditions that appear in such Final Terms will prevail.

GENERAL TERMS AND CONDITIONS OF THE NOTES

The terms and conditions that are set out below are the General Terms and Conditions of the Notes. The General Terms and Conditions of the Notes will be completed, and, whether or not specifically indicated below, may be supplemented, modified and/or replaced, by the terms set forth in Part A of the applicable Final Terms in respect of the relevant Tranche of Notes.

1. DEFINITIONS

“**Account**” means any deposit, checking, savings, securities, brokerage or other similar account located in the United States or Canada and established by the Security Provider.

“**Account Bank**” means a bank or other regulated and qualified custodian or fiduciary that maintains a Relevant Account.

“**Additional Relevant Account**” means any Relevant Account that is not an Initial Relevant Account.

“**Alternative Settlement Currency**” means (i) the currency or currencies specified as such in the applicable Final Terms, and (ii) any additional currency that the Issuer specifies as an Alternative Settlement Currency in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) of Condition 5 (*Redemption and Purchase*), in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*) or in the applicable Early Redemption Notice, as applicable; *provided, however*, that, if and for so long as any such currency is the currency of a jurisdiction that is an Ineligible Jurisdiction, such currency will not be an Alternative Settlement Currency.

“**Applicable Percentage**” means the percentage specified as such in the applicable Final Terms.

“**Appointee**” means any agent, delegate, custodian or nominee appointed by the Collateral Agent.

“**Blockchain SXE-Ledger**” has the meaning assigned to such term in clause (b) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Business Day**” means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments generally and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in the jurisdiction of establishment of the Issuer and in any other financial center or centers specified in the Business Days section of the applicable Final Terms.

“**Calculation Amount**” means the amount specified as such in the applicable Final Terms.

“**Code**” means the U.S. Internal Revenue Code, as amended and as may be further amended from time to time.

“**Collateral**” means the cash, securities and/or other assets in or credited to the Relevant Accounts.

“**Collateral Agent**” means Shakti Collateral Agent, LLC, a limited liability company organized under the laws of Delaware in the United States, in its capacity as collateral agent for the Notes, and includes any successor collateral agent appointed in accordance with Condition 10 (*Collateral Agent*) and the Collateral Agency Agreement.

“**Collateral Agency Agreement**” means the collateral agency agreement relating to the Program dated as of March 5, 2025, among the Issuer, the Security Provider and the Collateral Agent, as may be amended, supplemented and/or restated from time to time.

“**Collateral Agreement**” means any account control agreement, security agreement or other similar agreement (as such agreement may be amended, supplemented and/or restated for time to time) governed by the laws of the relevant State of the U.S. or the relevant province or territory of Canada, as applicable, and entered into among the Security Provider, the relevant Account Bank and the Collateral Agent in order to provide and/or perfect a security interest in respect of a

Relevant Account in favor of the Collateral Agent for the benefit of the Holders pursuant to the laws of such State, province or territory.

“**Condition**” means one of the Terms and Conditions of the Notes.

“**Current Issuer**” has the meaning assigned to such term in Condition 15 (*Issuer Substitution*).

“**Cut-Off Date**” has the meaning assigned to such term in subclause (b)(iv) of Condition 6 (*Payments*).

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any period of time (the “**Calculation Period**”), the number of days in such Calculation Period from and including the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to but excluding the relevant payment date (such number of days being calculated on the basis of 12 30-day months) divided by 360.

“**Early Redemption Date**” has the meaning assigned to such term in subclause (d)(i) of Condition 5 (*Redemption and Purchase*).

“**Early Redemption Notice**” has the meaning assigned to such term in subclause (d)(i) of Condition 5 (*Redemption and Purchase*).

“**Eligible Investment Manager List**” means the list of approved hedge fund managers that forms a part of the Fund Management Framework, as is in effect from time to time.

“**Eligible Jurisdiction**” means any of the following: (i) the United States, (ii) Switzerland, and (iii) any jurisdiction that (x) is not an Ineligible Jurisdiction, and (y) meets any other additional requirements set forth in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) of Condition 5 (*Redemption and Purchase*), in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*) or in the applicable Early Redemption Notice, as applicable.

“**Enforcement Notice**” means a notice given to the Issuer by Collateral Agent through the Network (following receipt of instructions to do so by the Required Threshold of Holders) following the occurrence of an Event of Default as set out in Condition 12 (*Enforcement; Post-Enforcement Priority of Payments*).

“**euro**” means the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of May 3, 1998 on the introduction of the euro, as amended.

“**Event of Default**” has the meaning assigned to such term in Condition 11 (*Events of Default*).

“**Extended Due Date**” has the meaning assigned to such term in subclause (b)(iv) of Condition 6 (*Payments*).

“**Extended Maturity Date**” means the date specified as such in the applicable Final Terms.

“**FATF**” means the Financial Action Task Force.

“**Final Redemption Amount**” means the amount specified as such in the applicable Final Terms.

“**Final Terms**” means the final terms prepared in connection with the issuance of a Tranche of Notes.

“**Fixed Coupon Amount**” means the amount specified as such in the applicable Final Terms.

“**Fixed Rate of Interest**” the rate specified as such in the applicable Final Terms.

“**Fund Management Framework**” means the Swiss-ShaktiFDN’s Framework for Preserving Investor Capital, as in effect from time to time.

“**Holder**” means, with respect to any Note, the Person registered in the Register as the holder of such Note.

“**Independent Third Party Collateral Agent**” has the meaning assigned to such term in clause (b) of Condition 10 (*Collateral Agent*).

“**Ineligible Jurisdiction**” means any jurisdiction that is (i) the subject of any sanctions administered by the United Nations Security Council, the Office of Foreign Assets Control of the U.S. Treasury Department, the U.S. Department of Commerce, the U.S. Department of State, the Swiss government, the European Union, His Majesty’s Treasury or any other body, governmental or other, to which the Issuer (or, if not the Issuer, the Swiss-ShaktiFDN) is subject, and/or (ii) named a High Risk Jurisdictions by the FATF (i.e., is on the “black list” published by the FATF), and/or (iii) named a Jurisdiction under Increased Monitoring by the FATF (i.e., is on the “grey list” published by the FATF).

“**Initial Program Issuance Date**” means the date on which the first tranche of SXE Digital SMART Notes is issued by the Issuer under the Program.

“**Initial Relevant Account**” has the meaning given to such term in clause (a) of Condition 9 (*Use of Proceeds and Relevant Accounts*).

“**Interest Commencement Date**” means the date specified as such in the applicable Final Terms.

“**Interest Payment Date**” means the date(s) specified as such in, or determined in accordance with the provisions of, the applicable Final Terms.

“**Interrupted SXE Payment**” has the meaning assigned to such term in subclause (b)(iv) of Condition 6 (*Payments*).

“**Investment Manager**” means, in respect of a Relevant Account, such Person appointed as such by the Security Provider in respect of such Relevant Account in accordance with subclause (b)(iii) of Condition 9 (*Use of Proceeds and Relevant Accounts*) and the Fund Management Framework, and includes any successor investment manager or replacement investment manager appointed by the Security Provider in respect of such Relevant Account in accordance with subclause (b)(iii) of Condition 9 (*Use of Proceeds and Relevant Accounts*) and the Fund Management Framework.

“**Issue Date**” means the date specified as such in the applicable Final Terms.

“**Issuer**” means the Swiss-ShaktiFDN in its capacity as issuer of the Notes.

“**Issuer Call**” has the meaning assigned to such term in clause (c) of Condition 5 (*Redemption and Purchase*).

“**Issuer Substitution**” has the meaning assigned to such term in Condition 15 (*Issuer Substitution*).

“**Maintenance Phase**” has the meaning assigned to such term in clause (e) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Maturity Date**” means the Scheduled Maturity Date or, if the payment of the Final Redemption Amount is deferred to the Extended Maturity Date pursuant to subclause (a)(ii) of Condition 5 (*Redemption and Purchase*), the Extended Maturity Date.

“**Network**” means the public blockchain ledger that embodies and implements the Protocol and the native digital cryptocurrency SXE.

“**Notes**” means the SXE Digital SMART Notes of the Tranche or Series specified in the applicable Final Terms.

“**Optional Redemption Amount**” means the amount specified as such in the applicable Final Terms.

“**Optional Redemption Date**” means the date(s) specified as such in the applicable Final Terms.

“Pause Function” has the meaning assigned to such term in clause (e) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“Payment Business Day” means:

- (a) in relation to any sum payable in the Specified Currency or any Alternative Settlement Currency, a day (other than a Saturday or a Sunday):
 - (i) if the Specified Currency or such Alternative Settlement Currency, as applicable, is not euro, on which commercial banks and foreign exchange markets settle payments and are open for general business (including, without limitation, dealing in foreign exchange and foreign currency deposits) in the principal financial center of the country of the Specified Currency or such Alternative Settlement Currency, as the case may be, specified in the Business Days section of the applicable Final Terms; and
 - (ii) if the Specified Currency or such Alternative Settlement Currency, as applicable, is euro, that is a T2 Settlement Day;
- (b) for purposes of the definition of the term “USD Fixed Coupon Amount”, a day that is a Payment Business Day pursuant to clause (a) above for both the Specified Currency and USD;
- (c) for purposes of converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for any Notes pursuant to subclause (f)(i) of Condition 5 (*Redemption and Purchase*), a day that is a Payment Business Day pursuant to clause (a) above for both the Specified Currency and the relevant Alternative Settlement Currency; and
- (d) for purposes of converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for any Notes pursuant to subclause (f)(ii) of Condition 5 (*Redemption and Purchase*), a day that is a Payment Business Day pursuant to clause (a) above for both the Specified Currency and USD.

“Person” means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“Prevailing Exchange Rate” means, in respect of any two fiat monies on any day, (i) the applicable prevailing exchange rate between such currencies prevailing as at or about 12 noon (New York City time) on that date, or (ii) if such rate cannot be determined at such time, the exchange rate between such currencies prevailing as at or about 12 noon (New York City time) on the immediately preceding day on which such rate can be so determined, in the case of each of clauses (i) and (ii), as determined by the Issuer (following consultation with one or more Account Banks).

“Program” means the program for the issuing of SXE Digital SMART Notes under which the Notes are issued.

“Project” means the project described in the Shakti Coin White Paper (Parts I to IV) published by the Swiss-ShaktiFDN.

“Protocol” means the Proof-of-Effort (PoE) blockchain protocol embodied and implemented by the Network.

“Redemption Amount” means the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as the case may be.

“Register” has the meaning assigned to such term in clause (b) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Registration Terms**” has the meaning assigned to such term in subclause (c)(i) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Reinvestment Period**” means the period specified as such in the applicable Final Terms.

“**Relevant Account**” means any Account that is managed by the relevant Investment Manager, or otherwise invested, in accordance with the Fund Management Framework and is designated by the Security Provider as exclusive to the Series.

“**Relevant Date**” means, with respect to any payment, (i) the date on which such payment first becomes due under the Notes (the “**Scheduled Due Date**”), or (ii) if the full amount of the money payable on the Scheduled Due Date has not been received by the Holders on or before the Scheduled Due Date, the date on which the full amount of the money due on the Scheduled Due Date has been received by the Holders.

“**Required Threshold of Holders**” has the meaning assigned to such term in clause (b) of Condition 11 (*Events of Default*).

“**Scheduled Due Date**” has the meaning assigned to such term in the definition of the term “Relevant Date”.

“**Scheduled Maturity Date**” means the date specified as such in the applicable Final Terms.

“**Security**” means the security created over the Collateral in favor of the Collateral Agent and for the benefit of the Holders pursuant to the Collateral Agreements.

“**Security Provider**” means the Swiss Shakti Foundation, a wholly-owned subsidiary of Swiss-ShaktiFDN and public benefit nonprofit corporation established under the laws of Wyoming in the United States, or any Successor Security Provider in accordance with subclause (b)(iv) of Condition 3 (*Status and Collateralization*).

“**Series**” means the series specified in the applicable Final Terms.

“**Series Minimum Pledged Funds Amount**” means, on any date, an amount in USD equal to:

- (a) for purposes of subclause (a)(ii) of Condition 5 (*Redemption and Purchase*), 100% of the aggregate principal amount of the Notes outstanding on such date;
- (b) for purposes of subclause (d)(ii) of Condition 5 (*Redemption and Purchase*), 108% of the aggregate principal amount of the Notes outstanding on such date; and
- (c) for purposes of subclause (b)(ii) of Condition 9 (*Use of Proceeds and Relevant Accounts*):
 - (i) during the Reinvestment Period, the Applicable Percentage of the aggregate principal amount of the Notes outstanding on such date; and
 - (ii) thereafter, 100% of the aggregate principal amount of the Notes,

in the case of each of clauses (a), (b) and (c), converted, if the Specified Currency is not USD, into USD at the Prevailing Exchange Rate on such date.

“**Settlement Currency Election Notice**” has the meaning assigned to such term in clause (e) of Condition 5 (*Redemption and Purchase*).

“**Specified Account**” means, in respect of any Holder that delivers a Settlement Currency Election Notice in accordance with clause (e) of Condition 5 (*Redemption and Purchase*), the account with a bank designated by such Holder in such Settlement Currency Election Notice as the account to which payment of the Redemption Amount in respect of the Notes of such Holder identified in such Settlement Currency Election Notice to be made by the Issuer to such Holder under the Terms and Conditions of the Notes is to be made.

“**Specified Currency**” means the currency specified as such in the applicable Final Terms.

“**Specified Denomination**” means the denomination specified as such in the applicable Final Terms.

“**Substitute Issuer**” has the meaning assigned to such term in Condition 15 (*Issuer Substitution*).

“**Substitution Documents**” has the meaning assigned to such term in clause (d) of Condition 15 (*Issuer Substitution*).

“**Sub-unit**” means (i) with respect to SXE, one Chai (0.01 SXE), (ii) with respect to euro, one cent, and (iii) with respect to any other currency, the lowest amount of such currency that is available as legal tender in the country of such currency.

“**Swiss Code of Obligations**” means the Swiss Code of Obligations of March 30, 1911, as amended and as may be further amended from time to time.

“**Swiss-ShaktiFDN**” means the Swiss Shakti Foundation, a foundation within the meaning of article 80 et seqq. of the Swiss Civil Code of December 10, 1907, as amended and as may be further amended from time to time, and registered with the Commercial Register of the Canton of Zug under the number CHE-328.913.038.

“**SXE**” means the cryptocurrency Shakti Coin, represented by a protocol layer-1 token, which has a fixed value of USD 5.00 per Shakti Coin that (i) through utilization of the Protocol has been mined as a token, and (ii) has been memorialized and technologically codified by the Swiss-ShaktiFDN in the Network and immutably recorded on the Blockchain SXE-Ledger.

“**SXE Payment Interruption Event**” means an event that makes it impossible or impractical through legal channels for the Issuer to deliver SXE to Holders.

“**SXE Wallet**” means a self-created electronic key, automatically linked to the creator’s identity by the Network, allowing the creator to, among other things, (i) store, receive and send SXE and (ii) store, receive and trade Notes.

“**T2**” means the real time gross settlement system operated by the Eurosystem or any successor system thereto.

“**T2 Settlement Day**” means any day on which T2 is open for the settlement of payments in euro.

“**Tax Event**” has the meaning assigned to such term in subclause (b)(ii) of Condition 5 (*Redemption and Purchase*).

“**Tax Jurisdiction**” means Switzerland.

“**Tax Redemption Amount**” means the amount specified as such in the applicable Final Terms.

“**Taxes**” has the meaning assigned to such term in clause (a) of Condition 7 (*Taxation*).

“**Technical Disruption Event**” means any event that in the reasonable discretion of the Issuer may impair the reliability of the Blockchain SXE-Ledger.

“**Terms and Conditions of the Notes**” means these General Terms and Conditions as completed, supplemented, modified and/or replaced by the terms set forth in Part A of the applicable Final Terms. To the extent that the terms set forth in Part A of the applicable Final Terms complete, supplement, modify and/or replace these General Terms and Conditions, they shall do so only for the purpose of the Tranche of Notes to which the applicable Final Terms relates. To the extent that there is any inconsistency between these General Terms and Conditions and the terms that appear in Part A of the applicable Final Terms, the terms that appear in Part A of the applicable Final Terms shall prevail.

“**Token**” has the meaning assigned to such term in clause (b) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Transaction**” has the meaning assigned to such term in subclause (c)(i) of Condition 2 (*Amount, Denomination, Form and Transfer*).

“**Tranche**” means the tranche specified in the applicable Final Terms.

“**U.S.**” or “**United States**” means the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“**USD**” means U.S. dollars.

“**USD Fixed Coupon Amount**” means, in respect of each Interest Payment Date, (i) if the Specified Currency is USD, the Fixed Coupon Amount, and (ii) otherwise, the Fixed Coupon Amount converted into USD at the Prevailing Exchange Rate on the last Payment Business Day preceding such Interest Payment Date.

2. **AMOUNT, DENOMINATION, FORM AND TRANSFER**

(a) ***Amount and Denomination***

The initial aggregate principal amount of the Notes is specified in the applicable Final Terms. The issue currency of the Notes is the Specified Currency. The Notes are issued to Holders in the Specified Denomination.

(b) ***Form***

Each Tranche of Notes will be issued as ledger based securities (*Registerwertrechte*) within the meaning of article 973d of the Swiss Code of Obligations. Each Note is represented by a digital token (each, a “**Token**”) recorded in the register of ledger based securities (*Wertrechtregister*) (the “**Register**”) maintained on the public permissionless SXE-DLT distributed ledger (the “**Blockchain SXE-Ledger**”) in accordance with the Protocol. The creation, transfer, exercise of any rights conferred under a Token and other operations relating to a Token are executed, cleared and recorded through the Blockchain SXE-Ledger in accordance with the Registration Terms. The Tokens and any Transactions relating thereto are governed by the Registration Terms and the Blockchain SXE-Ledger.

Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the Tokens into, or the delivery of, uncertificated securities (*einfache Wertrechte*), a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

(c) ***Transfer***

(i) This subclause (i) sets out the key terms of the tokenization terms (*Registrierungsvereinbarung*) within the meaning of articles 973d and 973f of the Swiss Code of Obligations for the Notes (the “**Registration Terms**”).

The transfer of legal title to a Note and the creation of a security or other interest over a Note (each such transfer or creation of interest, a “**Transaction**”) requires the transfer of the Token representing such Note to an SXE Wallet controlled by the acquirer of such Note or of the security or other interest over such Note, via the Blockchain SXE-Ledger in accordance with the rules and procedures of the Blockchain SXE-Ledger and the Protocol.

Transactions will be effected and recorded on the Blockchain SXE-Ledger in accordance with the Registration Terms.

(ii) The Notes are freely transferable in accordance with the terms of the Blockchain SXE-Ledger; *provided, however*, that, no Note will be transferable during the 10-day period ending on the Maturity Date (or, if the Issuer has elected to early redeem the Notes pursuant to clause (b) or (c) of Condition 5 (*Redemption and Purchase*), ending on the applicable Early Redemption Date).

(d) ***Statutory Token Cancellation and Reissuance Procedure***

In respect of any Note, if the relevant Holder initiates proceedings to have the Token representing such Note cancelled and re-issued pursuant to article 973h of the Swiss Code of Obligations, the number of public notices required pursuant to article 973h para. 2 of the Swiss Code of Obligations will be one, and the deadline imposed on Holders to produce the relevant private keys in connection with any such proceedings will be one month.

If any Holder initiates proceedings as described in the paragraph above, the Issuer will cancel and re-issue the relevant Token upon delivery of an enforceable (*vollstreckbar*) court decision ordering such cancellation and re-issuance.

(e) ***Pause Function***

Upon the occurrence of a Technical Disruption Event and during the support and maintenance phases for instances regarding software updates, security patches, node performance optimization, network scalability adjustments, consensus algorithm improvements, troubleshooting node connectivity issues, monitoring for potential malicious activities, and ensuring compliance with regulatory changes (the “**Maintenance Phase**”), the Issuer may activate the “pause” function to prevent Transactions from being recorded on the Blockchain SXE-Ledger until such Technical Disruption Event is no longer continuing or such Maintenance Phase has ended (the “**Pause Function**”), as applicable. During the activation of the Pause Function, it will not be possible to initiate and/or record Transactions on the Blockchain SXE-Ledger. The Issuer shall promptly notify the Holders of the activation of the Pause Function (and the underlying Technical Disruption Event and/or Maintenance Phase) in accordance with Condition 13 (*Notices*).

3. **STATUS AND COLLATERALIZATION**

(a) ***Status***

The Notes constitute direct, unconditional and unsubordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves and with all other present and future unsubordinated obligations of the Issuer, except for such obligations that are preferred in accordance with applicable law at the relevant time.

(b) ***Collateralization***

(i) The Issuer shall cause the Security Provider to, by no later than the Issue Date, enter into one or more Collateral Agreements in respect of the Initial Relevant Account(s), pursuant to which a security interest in respect of each Initial Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders and such security interest is perfected pursuant to the laws of the relevant jurisdiction.

(ii) The Issuer shall ensure that the Security Provider does not move amounts from one Relevant Account to an Additional Relevant Account in accordance with subclause (b)(i) of Condition 9 (*Use of Proceeds and Relevant Accounts*), unless the Security Provider has entered into one or more Collateral Agreements in respect of such Additional Relevant Account, pursuant to which a security interest in respect of such Additional Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders and such security interest is perfected pursuant to the laws of the relevant jurisdiction.

(iii) Each Collateral Agreement will be entered into in respect of the Series and not entered into on a Tranche-by-Tranche basis.

(iv) The initial Security Provider is the Swiss Shakti Foundation, a wholly-owned subsidiary of the Swiss-ShaktiFDN and public benefit nonprofit corporation established under the laws of Wyoming in the United States. The Issuer may,

without the consent of the Holders, substitute any entity for the Security Provider (such entity, a “**Successor Security Provider**”), *provided* that:

- (A) such Successor Security Provider is organized under the laws of a State of the U.S. and a wholly-owned subsidiary of the Swiss-ShaktiFDN;
- (B) such Successor Security Provider has (x) entered into such documents as are necessary for it to assume the obligations of the Security Provider under the Collateral Agency Agreement and the Collateral Agreements and for the Security to continue to be perfected in favor of the Collateral Agent for the benefit of the Holders in respect of the Relevant Account(s), and (y) procured that all action, conditions and things required to be taken, fulfilled and done (including, without limitation, the obtaining of any necessary consents) to ensure that such documents represent valid, legally binding and enforceable obligations of such Successor Security Provider have been taken, fulfilled and done and are in full force and effect; and
- (C) such Successor Security Provider has obtained all necessary governmental and other approvals and consents for such substitution and for the performance by such Successor Security Provider of its obligations under the documents described in subclause (B) above.

The Issuer shall promptly notify the Holders of any such Successor Security Provider in accordance with Condition 13 (*Notices*).

4. **INTEREST**

(a) ***Interest rate and accrual; Interest Payment Dates***

- (i) The Notes will bear interest on their principal amount at the applicable Fixed Rate of Interest from and including the Interest Commencement Date to but excluding (x) if the Notes are early redeemed pursuant to clause (b) or (c) of Condition 5 (*Redemption and Purchase*), the applicable Early Redemption Date, or (y) otherwise, the Maturity Date; *provided, however*, that if payment with respect to any Note is improperly withheld or refused on such Early Redemption Date or the Maturity Date, as the case may be, interest will continue to accrue on the principal amount of such Note (both before and after judgment) at the applicable Fixed Rate of Interest to but excluding the Relevant Date.
- (ii) Interest on the Notes will be payable in SXE in arrear on each Interest Payment Date.

(b) ***Calculation of interest payable***

- (i) The amount of interest per Calculation Amount payable in SXE in respect of the Notes on each Interest Payment Date will be calculated by:
 - (A) dividing the USD Fixed Coupon Amount for such Interest Payment Date by USD 5.00; and
 - (B) rounding the resulting figure to the nearest SXE (one half a Chai being rounded upwards).
- (ii) If interest is required to be paid in respect of a Note on any other date, the amount of interest payable per Calculation Amount in SXE on such date will be calculated by:
 - (A) applying the applicable Fixed Rate of Interest to the Calculation Amount;
 - (B) multiplying the product thereof by the Day Count Fraction;

- (C) if the Specified Currency is not USD, converting the resulting figure into USD at the Prevailing Exchange Rate on such date;
 - (D) dividing the resulting figure by USD 5.00; and
 - (E) rounding the resulting figure to the nearest SXE (one half a Chai being rounded upwards).
- (iii) The amount of interest payable in respect of a Note will be the product of:
- (A) the amount of interest per Calculation Amount; and
 - (B) the number by which the Calculation Amount is required to be multiplied to equal the principal amount of such Note.

5. REDEMPTION AND PURCHASE

(a) *Final redemption*

- (i) Unless previously redeemed, or purchased and cancelled and subject to subclause (ii) below, the Notes will be redeemed on the Scheduled Maturity Date at the Final Redemption Amount, together with any accrued and unpaid interest thereon to but excluding the Scheduled Maturity Date.
- (ii) If on the date falling 45 days prior to the Scheduled Maturity Date, the aggregate amount of USD in the Relevant Accounts on such date is less than the Series Minimum Pledged Funds Amount on such date, then (x) the Final Redemption Amount will be automatically deferred and shall not be due and payable until the Extended Maturity Date, and (y) the Issuer shall promptly notify the Holders of such deferral and Extended Maturity Date in accordance with Condition 13 (*Notices*).
- (iii) A Holder may elect to receive the Final Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) below. If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes, the Final Redemption Amount in respect of such Notes will be paid in SXE.
- (iv) No less than 30 days prior to the Maturity Date, the Issuer shall notify the Holders in accordance with Condition 13 (*Notices*) of the procedure for a Holder to elect to receive the Final Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency in accordance with clause (e) below, which notice shall include the form of Settlement Currency Election Notice and any additional requirements for purposes of clause (iii) of the definition of Eligible Jurisdiction.

(b) *Early redemption due to a Tax Event*

- (i) Upon the occurrence of a Tax Event at any time after the Issue Date, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on the relevant Early Redemption Date at the Tax Redemption Amount, together with any accrued and unpaid interest thereon to but excluding such Early Redemption Date.
- (ii) A Holder may elect to receive the Tax Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) below. If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes, the Tax Redemption Amount in respect of such Notes will be paid in SXE.

- (iii) A “**Tax Event**” will have occurred if the Issuer in making any payments on the Notes has paid, or will or would be required to pay, any additional Tax in respect of the Notes as a result of any changes in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision thereof or any authority of or in a Tax Jurisdiction or any political subdivision thereof having the power to impose, levy, collect, withhold or assess Taxes, including, without limitation, any treaty to which a Tax Jurisdiction is a party, or any generally published application or interpretation of such laws (including, without limitation, a decision of any court or tribunal, any generally published application or interpretation of such laws by any relevant tax authority or any generally published pronouncement by any relevant tax authority), and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.
- (c) ***Early redemption at the option of the Issuer (Issuer Call)***
- (i) The applicable Final Terms indicates whether the Notes are subject to redemption at the option of the Issuer prior to the Maturity Date (other than upon a Tax Event) (an “**Issuer Call**”). If the Issuer Call is specified as being applicable in the applicable Final Terms, then, subject to clause (d) below, the Issuer may elect, in its sole discretion, to redeem the Notes, in whole but not in part, on any Optional Redemption Date at the Optional Redemption Amount, together with any accrued and unpaid interest thereon to but excluding such Optional Redemption Date.
 - (ii) A Holder may elect to receive the Optional Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) below. If a Holder does not so deliver a Settlement Currency Election Notice in respect of any of its Notes, the Optional Redemption Amount in respect of such Notes will be paid in SXE.
- (d) ***Conditions for early redemption***
- (i) If the Issuer elects to redeem the Notes pursuant to clause (b) or (c) above, the Issuer shall give the Holders no less than 30 days’ (or such other period as may be specified in the applicable Final Terms) prior notice in accordance with Condition 13 (*Notices*) (an “**Early Redemption Notice**”), which notice will be irrevocable and must specify (x) the clause of this Condition 5 pursuant to which the redemption is to be made, (y) the date on which the Issuer will redeem the Notes pursuant to such clause of this Condition 5 (such specified date, the “**Early Redemption Date**”), and (z) the procedure for a Holder to elect to receive the Optional Redemption Amount or the Tax Redemption Amount, as the case may be, in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency, including the form of Settlement Currency Election Notice and any additional requirements for purposes of clause (iii) of the definition of Eligible Jurisdiction.
 - (ii) The Issuer may only publish an Early Redemption Notice pursuant to subclause (i) above if, on the date such Early Redemption Notice is to be published, the aggregate amount of USD in the Relevant Accounts on such date is equal to or greater than the Series Minimum Pledged Funds Amount on such date.
- (e) ***Settlement Currency Election Notice***
- (i) In order to elect to receive the Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency, a Holder must:
 - (A) if the Redemption Amount is the Final Redemption Amount, no less than 10 days prior to the Maturity Date (or, if the Notes have become due and payable pursuant to Condition 11 (*Events of Default*), within the period

specified for such purposes in the notice given by the Issuer to the Holders pursuant to clause (c) thereof); or

- (B) if the Redemption Amount is the Optional Redemption Amount or the Tax Redemption Amount, no less than 10 days prior to the relevant Early Redemption Date,

deliver to the Issuer through the Network a duly completed notice (a “**Settlement Currency Election Notice**”) in the form included in the notice given by the Issuer to the Holders pursuant to subclause (a)(iv) above, in the notice given by the Issuer to the Holders pursuant to clause (c) of Condition 11 (*Events of Default*), or in the applicable Early Redemption Notice, as applicable, which notice (subject subclause (ii) below) will be irrevocable and in which such Holder will be required to, among other things, (x) specify the aggregate principal amount of that Holder’s Notes in respect of which it is electing to receive the Redemption Amount in the Specified Currency or the applicable Alternative Settlement Currency specified therein, and (y) designate its Specified Account, which Specified Account must be with a bank in an Eligible Jurisdiction and such bank must be able to accept funds in the Specified Currency or the applicable Alternative Settlement Currency (whichever is specified in such notice).

- (ii) If a Holder has delivered a Settlement Currency Election Notice in respect of any of its Notes pursuant to subclause (i) above and subsequently transfers any such Notes prior to the 10-day period ending on the Maturity Date or the Early Redemption Date, as the case may be, then:

- (A) the Settlement Currency Election Notice in respect of such transferred Notes will be automatically revoked at the time of such transfer; and

- (B) in order to elect to receive the Redemption Amount in respect of some or all of such Notes in the Specified Currency or any Alternative Settlement Currency, the Person that becomes the Holder of such Notes as a result of such transfer must deliver a Settlement Currency Election Notice in respect of such Notes in accordance with subclause (i) above.

(f) ***Determination of Redemption Amount to be paid in SXE or any Alternative Settlement Currency***

- (i) If a Holder has delivered a Settlement Currency Election Notice in respect of some or all of its Notes to the Issuer in accordance with clause (e) above and such Settlement Currency Election Notice specifies that the relevant Redemption Amount for such Notes shall be paid in an Alternative Settlement Currency, then the Redemption Amount payable for such Notes shall be calculated by:

- (A) converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for such Notes into the relevant Alternative Settlement Currency at the Prevailing Exchange Rate on the day falling three Payment Business Days prior to the Maturity Date or the Early Redemption Date, as the case may be; and

- (B) rounding the resulting figure to the nearest Sub-unit (one half a Sub-unit being rounded upwards).

- (ii) If a Holder has not delivered a Settlement Currency Election Notice in respect of some or all of its Notes to the Issuer in accordance with clause (e) above and, consequently, the relevant Redemption Amount for such Notes shall be paid in SXE, then the Redemption Amount payable for such Notes shall be calculated by:

- (A) if the Specified Currency is not USD, converting the Final Redemption Amount, the Optional Redemption Amount or the Tax Redemption Amount, as applicable, for such Notes into USD at the Prevailing

Exchange Rate on the last Payment Business Day preceding the Maturity Date or the Early Redemption Date, as the case may be;

- (B) dividing the resulting figure by USD 5.00; and
- (C) rounding the resulting figure to the nearest SXE (one half a Chai being rounded upwards).

(g) ***Purchases***

The Issuer or any of its affiliates may at any time purchase Notes at any price in the open market or otherwise. Any Notes so purchased may, at the option of the Issuer, be held, reissued, resold or cancelled; *provided, however*, that, any Notes so cancelled may not be reissued or sold.

(h) ***Cancellation upon redemption***

All Notes redeemed in accordance with this Condition 6 will be cancelled by the Issuer and may not be reissued or resold. All Notes purchased and pursuant to clause (d) above shall be immediately cancelled upon surrender and may not be reissued or sold.

6. **PAYMENTS**

(a) ***Payments in SXE***

(i) All payments of interest required to be made under the Notes will be made available in good time in SXE and shall be made to the Holders in SXE without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality.

(ii) Where the Redemption Amount in respect of any Note is to be made in SXE, the payment of such Redemption Amount will be made in good time in SXE and shall be made to the relevant Holder in SXE without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of the relevant Holder and without certification, affidavit or the fulfilment of any other formality.

(iii) In order to receive payments under the Notes that are to be made in SXE, the relevant Holder must be a participant in the Network and create and maintain an SXE Wallet. In the case of any payment under a Note that is required to be made in SXE, if on the Scheduled Due Date for such payment the relevant Holder is not a participant in the Network or is a participant in the Network but has not created or maintained an SXE Wallet, such Holder will not be entitled to receive such payment.

(iv) If the Issuer determines at any time that an SXE Payment Interruption Event has occurred, the Issuer shall give notice as soon as practicable to the Holders of such determination in accordance with Condition 13 (*Notices*), and the following provisions shall apply:

(A) If the Scheduled Due Date for any payment under the Notes that is to be made in SXE falls on a date on which such SXE Payment Interruption Event is continuing (any such payment, an “**Interrupted SXE Payment**”), the relevant Holder will not be entitled to payment thereof until the date (the “**Extended Due Date**”) falling on the earlier of:

- (1) the date falling two Business Days following the date on which the Issuer determines that such SXE Payment Interruption Event is no longer continuing and no subsequent SXE Payment Interruption Event has occurred and is continuing; and

- (2) the date falling 90 days following the applicable Scheduled Due Date (the “**Cut-Off Date**”), and

the applicable Holder will not be entitled to any further interest or other payment in respect of such delay.

- (B) In the case of any Interrupted SXE Payment with respect to which the Extended Due Date falls on the Cut-Off Date and an SXE Payment Interruption Event is continuing on the Cut-Off Date, then:

- (1) the Issuer will give notice of this fact to the Holders in accordance with Condition 13 (*Notices*), which notice must also specify the procedure for the relevant Holder to elect to receive such Interrupted SXE Payment in USD;
- (2) until the relevant Holder elects to receive such Interrupted SXE Payment in accordance with the procedures described in subclause (1) above, (x) such Holder will not be entitled to payment thereof until the date on which such SXE Payment Interruption Event is no longer continuing and no subsequent SXE Payment Interruption Event has occurred and is continuing, and (y) such Holder will not be entitled to any further interest or other payment in respect of such delay;
- (3) if the relevant Holder elects to receive such Interrupted SXE Payment in accordance with the procedures described in subclause (1) above, the Issuer shall make such Interrupted SXE Payment in USD on the first Payment Business Day on which it is reasonably practicable for the Issuer to make such payment; and
- (4) if the relevant Holder does not elect to receive such Interrupted SXE Payment in accordance with the procedures described in subclause (1) above prior to the date falling five years after the Cut-Off Date, (x) all rights of the relevant Holder for payment of such Interrupted SXE Payment will become null and void, and (y) the relevant Holder will be deemed to have irrevocably waived its rights to, and will no longer have any rights against the Issuer with respect to, payment of such Interrupted SXE Payment and will be deemed to have agreed to the foregoing.

(b) ***Payments in the Specified Currency or any Alternative Settlement Currency***

- (i) If a Holder has elected to receive the Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency, then the Redemption Amount in respect of such Notes shall:
- (A) be made available in good time in freely disposable funds in the Specified Currency or such Alternative Settlement Currency, as applicable;
- (B) be made to such Holder in the Specified Currency or such Alternative Settlement Currency, as applicable, without collection costs, without any restrictions and whatever the circumstances may be, irrespective of nationality, domicile or residence of such Holder and without certification, affidavit or the fulfilment of any other formality; and
- (C) be made to such Holder by transfer to its Specified Account.
- (ii) If the Scheduled Due Date for any payment in respect of a Note that is to be made in the Specified Currency or any Alternative Settlement Currency is not a Payment Business Day, then the relevant Holder will not be entitled to payment thereof until the first Payment Business Day following the Scheduled Due Date,

and the relevant Holder will not be entitled to any additional sum in relation to such payment.

7. **TAXATION**

All payments in respect of the Notes are subject to withholding and deduction for, or on account of, any present or future taxes, duties, assessments or other government charges of any nature (“**Taxes**”) imposed, levied, collected, withheld or assessed by or on behalf of any Tax Jurisdiction or any political subdivision thereof or any authority of or in a Tax Jurisdiction or any political subdivision thereof having the power to impose, levy, collect, withhold or assess Taxes, including the deduction of Swiss Federal Withholding Tax (*Verrechnungssteuer*) on interest payments.

8. **STATUTE OF LIMITATIONS**

In accordance with Swiss law, (a) claims for interest payments under the Notes will become time-barred after the five-year period, and (b) claims for the repayment or redemption of Notes will become time-barred after the 10-year period, in each case, commencing on the date on which such payments, repayment or redemption become due and payable.

9. **USE OF PROCEEDS AND RELEVANT ACCOUNTS**

(a) *Use of proceeds*

The proceeds from the issuance of the Notes after deduction of the fees, costs and expenses incurred by the Issuer in connection with such issuance (the “**Net Proceeds**”) shall be used by the Issuer as follows:

- (i) 10% of the Net Proceeds shall be applied in furtherance of the Project; and
- (ii) 90% of the Net Proceeds (such portion of the Net Proceeds (converted, if necessary, into USD as described in clause (x) below), the “**Initial Invested Amount**”) shall be (x) if the Specified Currency is not USD, converted into USD at the Prevailing Exchange Rate on the Issue Date, and (y) deposited on the Issue Date in one or more Relevant Accounts (the “**Initial Relevant Account(s)**”).

(b) *Relevant Accounts*

- (i) So long as any Note is outstanding, the Issuer shall ensure that the Security Provider does not withdraw any amount from any Relevant Account, unless:
 - (A) such withdrawal is made in accordance with subclause (ii) or (iii) of this clause (b); or
 - (B) such withdrawal is made to satisfy any payment obligation owed by the Issuer to any Holder as a result of any redemption or purchase of Notes by the Issuer under Condition 5 (*Redemption and Purchase*).
- (ii) Subject to subclause (b)(ii) of Condition 3 (*Status and Collateralization*), the Security Provider may at any time and from time to time move any amount from any Relevant Account to any other Relevant Account.
- (iii) If at any time the aggregate amount of USD in the Relevant Accounts at such time is greater than the Series Minimum Pledged Funds Amount at such time, the Security Provider may withdraw any amount from the Relevant Accounts so long as (x) immediately after such withdrawal, the aggregate amount of USD in the Relevant Accounts is equal to or greater than the Series Minimum Pledged Funds Amount, and (y) such withdrawn amount is applied in furtherance of the Project.
- (iv) Each Relevant Account must be managed by an Investment Manager, or otherwise invested, in accordance with the Fund Management Framework. Any appointment or termination of appointment by the Security Provider of, or resignation by, any Investment Manager may take place at any time, *provided*

that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account must be (and the Issuer shall ensure that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account is) (x) a Person that is either an independent financial institution of international repute or an independent adviser of recognized standing and expertise that is capable of managing, and, where legally required, possesses such valid and current licenses, permits, certificates or other governmental consents, authorizations and approvals, and has made all applicable registrations and filings, required to manage, such Relevant Account in accordance with the Fund Management Framework, and (y) included on the Eligible Investment Manager List.

- (v) So long as any Note is outstanding, the Fund Management Framework will be publicly available free of charge online at (x) www.shakticoin.com/smartnotes/swissfdn/info, or (y) such other location online, *provided* that the Issuer must promptly notify the Holders of any such other location in accordance with Condition 13 (*Notices*).

10. **COLLATERAL AGENT**

- (a) Pursuant to the Collateral Agency Agreement, each of the Issuer and the Security Provider has initially appointed Shakti Collateral Agent, LLC as Collateral Agent. The terms of the Collateral Agency Agreement that relate to the Notes will be made available by the Collateral Agent to any Holder in electronic or printed form, free of charge, upon request through Network.
- (b) The Issuer may at any time modify or terminate the appointment of the Collateral Agent in accordance with the provisions of the Collateral Agency Agreement; *provided, however*, that:
 - (i) if Shakti Collateral Agent, LLC is acting as (or if any Person that is not an Independent Third Party Collateral Agent is acting as) Collateral Agent on the Initial Program Issuance Date, then the Issuer will, in accordance with the terms of the Collateral Agency Agreement, use its good faith reasonable efforts to appoint, on or before the first anniversary of the Initial Program Issuance Date, a Person that is (x) an independent third party of recognized standing and expertise, (y) domiciled in the United States, and (z) experienced in performing the duties to be performed by the Collateral Agent under the Collateral Agency Agreement, the Collateral Agreements and the Terms and Conditions of the Notes (any such Person meeting the requirements described in subclauses (x), (y) and (z) above, an “**Independent Third Party Collateral Agent**”) as successor Collateral Agent;
 - (ii) if the Issuer has appointed an Independent Third Party Collateral Agent on or before the first anniversary of the Initial Program Issuance Date in accordance with subclause (i) above, then any successor Collateral Agent appointed thereafter must be an Independent Third Party Collateral Agent;
 - (iii) so long as any Note is outstanding, there will at all times be a Collateral Agent; and
 - (iv) the Issuer shall promptly notify the Holders in accordance with Condition 13 (*Notices*) of any such modification or termination to the extent such modification or termination relates to the Notes.
- (c) Upon acceptance of any interest in a Note, each Holder acknowledges and agrees that the Issuer has appointed the Collateral Agent to act on behalf of the Holders as set out in, and in accordance with, the terms and conditions set out in the Collateral Agency Agreement and the Collateral Agreements.
- (d) In the absence of gross negligence, willful misconduct and bad faith, no liability to the Issuer, the Security Provider or the Holders will attach to the Collateral Agent in

connection with the exercise or non-exercise by it of its powers, duties and discretion under the Collateral Agency Agreement or any Collateral Agreement.

11. EVENTS OF DEFAULT

- (a) Each of the following events will constitute an “**Event of Default**”:
- (i) the Issuer fails to pay the principal amount of, or any interest on, any Note if and when the same becomes due and payable under the Notes, and such failure continues unremedied by the Issuer for a period of 30 days; or
 - (ii) the Issuer fails to observe or perform any other covenant, condition, or agreement contained in the Terms and Conditions of the Notes or the Collateral Agency Agreement, and such failure continues unremedied for a period of 90 days after notice thereof from any Holder to the Issuer and the Collateral Agent through the Network; or
 - (iii) the Security Provider fails to observe or perform any other covenant, condition, or agreement contained in the Collateral Agency Agreement or any Collateral Agreement, and such failure continues unremedied for a period of 90 days after notice thereof from any Holder to the Issuer and the Collateral Agent through the Network; or
 - (iv) other than in connection with a solvent reorganization, reconstruction, amalgamation or merger, (A) any order is made by any competent court or other authority or resolution passed by the Issuer or, if it is not the Issuer, by the Swiss-ShaktiFDN for (x) the dissolution or winding-up of the Issuer or the Swiss-ShaktiFDN, as applicable, or (y) the appointment of a liquidator, receiver, administrator or manager of the Issuer or the Swiss-ShaktiFDN, as applicable, or of all or a substantial part of the assets of the Issuer or the Swiss-ShaktiFDN, as applicable, or (B) anything analogous occurs, in any jurisdiction, to the Issuer or, if it is not the Issuer, the Swiss-ShaktiFDN; or
 - (v) the Issuer or, if it is not the Issuer, the Swiss-ShaktiFDN stops payment or is unable to, or admits to creditors generally its inability to, pay its debts as they fall due, or is adjudicated or found bankrupt or insolvent, or enters into any composition or other arrangements with its creditors generally.
- (b) If an Event of Default has occurred and is continuing, the Holders of at least 25% in aggregate principal amount of the outstanding Notes (a “**Required Threshold of Holders**”) may, by notice given to the Issuer and the Collateral Agent through the Network, declare all the Notes to be immediately due and payable, whereupon they will become immediately due and payable at the Final Redemption Amount together with accrued interest in SXE (if any) thereon to the Relevant Date, without further formality unless such Event of Default has been remedied prior to the receipt of such notice by the Issuer and the Collateral Agent. If the Notes become so due and payable, a Holder may elect to receive the Final Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency if it delivers a Settlement Currency Election Notice in respect of such Notes to the Issuer in accordance with clause (e) of Condition 5 (*Redemption and Purchase*).
- (c) Upon the Notes becoming due and payable under this Condition 11, the Issuer will give notice of this fact to the Holders in accordance with Condition 13 (*Notices*), which notice must also specify the procedure for a Holder to elect to receive the Final Redemption Amount in respect of some or all of its Notes in the Specified Currency or any Alternative Settlement Currency, including the form of Settlement Currency Election Notice and any additional requirements for purposes of clause (iii) of the definition of Eligible Jurisdiction.

12. **ENFORCEMENT; POST-ENFORCEMENT PRIORITY OF PAYMENTS**

(a) ***Enforcement***

Upon the occurrence of an Event of Default, the Collateral Agent will, subject to being indemnified and/or secured and/or prefunded to its satisfaction, if so instructed through the Network by the Required Threshold of Holders, serve an Enforcement Notice on the Issuer and subject as provided in the Collateral Agency Agreement, at any time and without notice, institute such proceedings and/or take such action, step or proceedings as it may think fit against, or in relation to, the Issuer, the Security Provider or any other Person to enforce its rights under any Collateral Agreement.

Subject to the provisions of the Collateral Agency Agreement and the Collateral Agreements, at any time after the Security has become enforceable, the Collateral Agent shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, if so instructed through the Network by the Required Threshold of Holders following an Event of Default, without notice, take such steps, actions or proceedings as it may think fit to enforce the Security.

No Holder shall be entitled to proceed directly against the Issuer, the Security Provider or any other Person that is a party to any Collateral Agreement in respect of the Notes unless such Holder has first sought enforcement of the Security in accordance with the Collateral Agency Agreement.

(b) ***Post-enforcement priority of payments***

Upon the enforcement of the Security by the Collateral Agent, all monies received and all money derived therefrom shall be applied by or on behalf of the Collateral Agent in accordance with the Collateral Agency Agreement as follows:

- (i) *Firstly*, in payment or satisfaction of all amounts then due and unpaid or payable to the Collateral Agent and any Appointee;
- (ii) *Secondly*, in payment or satisfaction *pari passu* and rateably of all amounts then due and unpaid to the Account Bank(s) (as further set out in the Collateral Agency Agreement);
- (iii) *Thirdly*, in or towards payment or performance *pari passu* and rateably of all amounts then due and unpaid and all obligations due to be performed and unperformed in respect of the relevant Notes; and
- (iv) *Fourthly*, in payment of the balance (if any) to the Issuer (without prejudice to, or liability in respect of, any queries as to how such payment to the Issuer shall be dealt with between the Issuer and any such Person).

13. **NOTICES**

- (a) Notices to Holders shall be given through the Network. Any notice will be deemed to be validly given on the date on which it is disseminated through the Network or, if disseminated through the Network more than once, on the date of the first such dissemination.
- (b) If and for so long as the Notes are listed on a stock exchange and/or admitted to trading by such other relevant authority, the Issuer shall ensure that notices are duly published in a manner that complies with the rules of such stock exchange or such other relevant authority, respectively.

14. **MEETINGS OF HOLDERS; AMENDMENTS WITHOUT HOLDER CONSENT**

(a) ***Meetings of Holders***

- (i) Except as otherwise specified in this Condition 14, the provisions of bondholder meetings contained in article 1157 *et seqq.* of the Swiss Code of Obligations apply in relation to meetings of Holders.
- (ii) Notwithstanding subclause (i) above,
 - (A) following any Issuer Substitution pursuant to Condition 15 (*Issuer Substitution*) pursuant to which the Substitute Issuer is not organized under the laws of Switzerland, article 1157 paragraph (1) and articles 1176 – 1179 of the Swiss Code of Obligations shall not apply in relation to meetings of Holders; and
 - (B) in the case of any extension of the maturity date of the Notes proposed to the Holders (excluding, for the avoidance of doubt, any extension of the maturity date to the Extended Maturity Date pursuant to subclause (a)(ii) of Condition 5 (*Redemption and Purchase*)), (i) the consent of Holders holding at least two-thirds of the aggregate principal amount of the Notes represented at the relevant meeting of Holders will be required, and (ii) the requirements of article 1170 of the Swiss Code of Obligations will not apply.

(b) ***Amendments without Holder consent***

- (i) Notwithstanding clause (a) above, the Issuer may, without the consent of the Holders, make any amendment to the Terms and Conditions of the Notes or the Notes that it considers to be:
 - (A) necessary or desirable to give effect to the provisions of Condition 15 (*Issuer Substitution*); or
 - (B) formal, minor or technical in nature; or
 - (C) necessary to correct a manifest error; or
 - (D) not materially prejudicial to the interests of the Holders.
- (ii) The Issuer shall notify the Holders of any amendments made pursuant to this clause (b) in accordance with Condition 13 (*Notices*), which notice shall state the date on which such amendment will be effective. Any amendment made pursuant to this clause (b) will be binding on the Holders in accordance with its terms.

(c) ***Collateral Agency Agreement***

So long as such amendment does not conflict with the Terms and Conditions of the Notes, the Issuer, the Security Provider and the Collateral Agent may, without the consent of any Holder, agree to amend the provisions of the Collateral Agency Agreement in accordance with the terms thereof. The Issuer shall promptly notify the Holders in accordance with Condition 13 (*Notices*) of any such amendment to the extent such amendment relates to the Notes.

15. **ISSUER SUBSTITUTION**

The Issuer (for purposes of this Condition 15, the “**Current Issuer**”) may, without the consent of the Holders, substitute any entity (whether or not such entity is organized under the laws of Switzerland) (such substitute entity, the “**Substitute Issuer**”) for itself as principal debtor under the Notes (such substitution, an “**Issuer Substitution**”) at any time upon giving no more than 30 and no less than 10 days’ notice to the Holders in accordance with Condition 13 (*Notices*), *provided* that:

- (a) the Current Issuer is not in default in respect of any amount payable under the Notes at the time of such substitution;
- (b) at least 95% of the Substitute Issuer's capital and voting rights are held directly by the Swiss-ShaktiFDN;
- (c) after giving effect to such Issuer Substitution, the Security Provider's obligations under the Collateral Agreements and the Collateral Agency Agreement remain valid, legally binding and enforceable obligations of the Security Provider and the Security continues to be perfected in favor of the Collateral Agent for the benefit of the Holders in respect of the Relevant Account(s);
- (d) the Current Issuer and the Substitute Issuer (i) have entered into such documents (the "**Substitution Documents**") as are necessary to give effect to such substitution and pursuant to which (x) the Substitute Issuer assumes the obligations of the Current Issuer under the Notes and the Collateral Agency Agreement, and (y) the Current Issuer and the Substitute Issuer agree to indemnify each Holder against any tax, duty, fee or governmental charge imposed on or relating to such act of assumption, and any costs or expenses of such act of assumption, and (ii) procure that all action, conditions and things required to be taken, fulfilled and done (including, without limitation, the obtaining of any necessary consents) to ensure that the Substitution Documents represent valid, legally binding and enforceable obligations of the Substitute Issuer have been taken, fulfilled and done and are in full force and effect;
- (e) the Current Issuer shall have obtained legal opinions from independent legal advisors in the respective countries in which the Substitute Issuer and the Current Issuer are incorporated, and (if different) in Switzerland, to the effect that (i) the obligations of the Substitute Issuer are its legal, valid and binding obligations, and (ii) all approvals and consents referred to in clause (h) below have been obtained;
- (f) each stock exchange and/or other relevant authority on or by which the Notes are listed and/or admitted to trading shall have confirmed that, following the proposed substitution of the Substitute Issuer, the Notes will continue to be listed and/or admitted to trading on such stock exchange and/or by such relevant authority;
- (g) if the Substitute Issuer is not organized under the laws of Switzerland, the Substitute Issuer has appointed a process agent as its agent in Switzerland to receive service of process on its behalf in relation to any legal proceedings arising out of or in connection with the Notes; and
- (h) the Current Issuer and the Substitute Issuer have obtained all necessary governmental and other approvals and consents for such substitution and for the performance by the Substitute Issuer of its obligations under the Substitution Documents.

Upon any Issuer Substitution, the Current Issuer will be released from all its obligations under the Notes.

After giving effect to any Issuer Substitution, (i) references to the "Issuer" in the Terms and Conditions of the Notes will be references to the Substitute Issuer, and (ii) references to the "Tax Jurisdiction" in the Terms and Conditions of the Notes will be read and construed as including the jurisdiction of establishment of the Substitute Issuer and, if different, the jurisdiction in which the Substitute Issuer is resident for tax purposes.

16. **FURTHER ISSUES**

The Issuer may from time to time without the consent of the Holders issue further notes and, *provided* that such notes have the same terms and conditions as the Notes in all respects, including, without limitation, being fungible for U.S. federal income tax purposes (or in all respects except for the issue date and/or the first date on which interest is paid and/or the first date on which interest begins to accrue), such further notes will be consolidated and form a single series with the Notes. If the Issuer issues any such further notes pursuant to this Condition 16, references in the Terms

and Conditions of the Notes to “Notes” will include such further notes, unless the context otherwise requires.

17. **CURRENCY INDEMNITY**

Any amount received or recovered by any Holder in a currency other than the Specified Currency (or, in the case of any amount relating to any interest payment under the Notes, in a currency other than SXE) (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the insolvency, winding-up or dissolution of the Issuer or otherwise) under the Notes will only constitute a discharge of the Issuer to the extent of the amount in the Specified Currency (or, in the case of any amount relating to any interest payment under the Notes, in SXE) that such Holder is able to purchase with the amount so received or recovered in such other currency on the date of such receipt or recovery (or, if it is not practicable to purchase the Specified Currency (or, in the case of any amount relating to any interest payment under the Notes, SXE) with such amount on such date, on the first date on which it is practicable to do so). If the amount of the Specified Currency (or, in the case of any amount relating to any interest payment under the Notes, SXE) that such Holder is able to purchase is less than the amount owed by the Issuer to such Holder under the Notes, the Issuer shall indemnify such Holder against any loss sustained by it as a result. In addition, the Issuer shall indemnify such Holder for the costs of making such purchase. For purposes of this Condition 17, it is sufficient for the relevant Holder to demonstrate that it would have suffered a loss had an actual purchase been made. The indemnities under this Condition 17 will (a) constitute a separate and independent obligation from the Issuer’s other obligations hereunder, (b) give rise to a separate and independent cause of action, (c) apply irrespective of any indulgence granted by any Holder and (d) continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any amount due under the Notes or any other judgment or order.

18. **GOVERNING LAW AND JURISDICTION**

- (a) The Notes and the Terms and Conditions of the Notes are governed by and shall be construed in accordance with the laws of Switzerland.
- (b) The courts of the Canton of Zurich (venue being the City of Zurich) have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Notes.

PRO FORMA FINAL TERMS

Final Terms dated []

Swiss Shakti Foundation

Issue of [Aggregate Principal Amount of Tranche] []% SXE Digital SMART Notes due []
under the
SXE Digital SMART Notes Program

PART A – CONTRACTUAL TERMS

Terms used but not defined herein have the meanings assigned to such terms in the General Terms and Conditions of the Notes set forth in the Base Prospectus dated March 5, 2025[, as supplemented by the Supplement[s] thereto dated [insert date(s)]] ([together,]the “**Base Prospectus**”), which constitutes a base prospectus for purposes of article 45 of the Swiss Financial Services Act of June 15, 2018, as amended (the “**FinSA**”). This document constitutes the Final Terms for the Tranche of Notes described herein and the final terms for such Notes within the meaning of article 45(3) of the FinSA. These Final Terms must be read in conjunction with the Base Prospectus, which together constitute the prospectus with respect to the Tranche of Notes described herein for purposes of the FinSA.

Full information on the Issuer and the offer of the Tranche of Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus (including the documents incorporated by reference therein) and these Final Terms can be obtained in electronic or printed form, free of charge, during normal business hours from the Issuer at c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland (email: helpdesk@shakti.swiss).

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Italics denote guidance for completing these Final Terms.]

- | | | |
|----|--|--|
| 1. | Issuer: | Swiss Shakti Foundation |
| 2. | (i) Series Number: | [number/year (e.g. 1/00)] |
| | (ii) Tranche Number: | [number (e.g. 1)] |
| | (iii) Date on which the Notes become fungible: | [Not Applicable] / [The Notes will be consolidated, form a single Series and be interchangeable for trading purposes with [provide issue amount, maturity date/issue date of earlier Tranches] on the [Issue Date] / [specify date]] |
| 3. | Specified Currency: | [] |
| 4. | Aggregate Principal Amount: | |
| | (i) Series: | [] |
| | (ii) Tranche: | [] |
| 5. | Issue Price: | [] per cent. of the Aggregate Principal Amount [plus accrued interest from [and including/but excluding] [insert date] (in the case of fungible issues only, if applicable)] |
| 6. | (i) Specified Denomination: | The Notes are issued in minimum denominations of [] and integral multiples of [] in excess thereof |
| | (ii) Calculation Amount: | ¹ [] |
| 7. | (i) Issue Date: | [] |

¹ This amount will be equal to the smallest integral multiple of the Specified Denomination.

- (ii) Interest Commencement Date: [The Issue Date] / []
8. Scheduled Maturity Date: []
9. Extended Maturity Date: [The date falling [] years after the Scheduled Maturity Date] / []
10. Early Redemption:
- (i) Tax Event: At the Issuer's option upon a Tax Event, as more particularly described in Condition 5 (*Redemption and Purchase*)
- (ii) Issuer Call: [Not Applicable] / [Applicable]
11. Status of the Notes: Senior, as more particularly described in Condition 3 (*Status and Collateralization*)
12. Reinvestment Period: From (and including) the Issue Date to (but excluding) the [] anniversary of the Issue Date
13. Applicable Percentage: With respect to each period in the Reinvestment Period commencing on (and including) each one-year anniversary of the Issue Date (or, in the case of the first such period, commencing on (and including) the Issue Date) and ending on (but excluding) the next one-year anniversary of the Issue Date (each such period, a "**Relevant Period**"), the percentage specified for such period in the table below:²

First Relevant Period	[]%
Second Relevant Period	[]%
[]	[]%
[]	[]%
[]	[]%

PROVISIONS RELATING TO INTEREST PAYABLE

14. Fixed Rate of Interest: [] per cent. per annum
15. Interest Payment Dates: [] and [] in each year, from (and including) [] to (and including) the Maturity Date
16. Fixed Coupon Amount: ³[] per Calculation Amount
17. Other terms relating to the method of calculating interest, if different from those set out in the General Terms and Conditions: [*give details*] / [Not Applicable]

PROVISIONS RELATING TO REDEMPTION

18. Issuer Call: [Not Applicable] / [Applicable]
- (*If not applicable, delete the remaining subclauses of this clause 18*)

² Each percentage below will be greater than or equal to 90%.

³ This amount will be in the Specified Currency.

- (i) Optional Redemption Date(s): [Anytime on or after the [] anniversary of the Issue Date] / []
- (ii) Optional Redemption Amount: ⁴[] per Calculation Amount
- (iii) Notice period for notice to the Holders if different from that set out in the General Terms and Conditions:⁵ [No [more than [] and no] less than [] days' prior notice] / [Not Applicable]
19. Final Redemption Amount: ⁶[] per Calculation Amount
20. Tax Event:
- (i) Tax Redemption Amount: ⁷[] per Calculation Amount
- (ii) Notice period for notice to the Holders if different from that set out in the General Terms and Conditions:⁸ [No [more than [] and no] less than [] days' prior notice] / [Not Applicable]
21. Alternative Settlement Currencies: [] / [Not Applicable]
22. Terms or conditions different from those set out in the General Terms and Conditions: [Not Applicable] / [give details]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes: Ledger based securities (*Registerwertrechte*) within the meaning of article 973d of the Swiss Code of Obligations, as more particularly described in clause (b) of Condition 2 (*Amount, Denomination, Form and Transfer*)
24. Business Days: [*insert financial centers*] / [Not Applicable]
25. Collateral Agreement(s) in respect of the Initial Relevant Account(s) entered into in accordance with subclause (b)(i) of Condition 3 (*Status and Collateralization*):⁹
- (i) Governing law: []
- (ii) Jurisdiction: []
26. Other terms or conditions different from those set out in the General Terms and Conditions: [Not Applicable] / [give details]

⁴ This amount should be in the Specified Currency and be at least equal to the Calculation Amount.

⁵ The notice period set out in the General Terms and Conditions is no less than 30 days' prior notice, and there is no maximum notice period.

⁶ This amount should be in the Specified Currency and be equal to the Calculation Amount.

⁷ This amount should be in the Specified Currency and be equal to the Calculation Amount.

⁸ The notice period set out in the General Terms and Conditions is no less than 30 days' prior notice, and there is no maximum notice period.

⁹ Update this item 25 and its subclauses as necessary in the case of more than one Collateral Agreement/Initial Relevant Account.

PART B – OTHER INFORMATION

1. ADMISSION TO TRADING AND LISTING

- (i) Admission to trading and listing: [] / [Not Applicable]
- [The first day of trading on [] is expected to be [date]] / [Application for provisional admission to trading on [] is being made and the first day of trading on [] is expected to be [date]. Application for definitive admission to trading and listing on [] will be made as soon as practicable thereafter and (if granted) will only be granted after the Issue Date. The last day of trading on [] is expected to be [date].]
- (Where documenting a fungible issue need to indicate that original securities are already admitted to trading)*
- (ii) Minimum trading size: [] / [Not Applicable]
- (Required only if multiple denominations can be traded)*

2. RATINGS

[The Notes have not been rated.]

[The Notes [have been]/[are expected to be] rated:

[insert exact legal name of the rating agency]: []

A SECURITIES RATING IS NOT A RECOMMENDATION TO BUY, SELL OR HOLD SECURITIES AND MAY BE REVISED OR WITHDRAWN AT ANY TIME]

3. USE OF PROCEEDS AND ESTIMATED NET PROCEEDS

- (i) Use of proceeds: The proceeds from the issuance of the Notes will be used by the Issuer in accordance with clause (a) of Condition 9 (*Use of Proceeds and Relevant Accounts*)
- (ii) Estimated net proceeds: []

4. DISTRIBUTION

- (i) Method of distribution: [Non-syndicated] / [Syndicated]
- (ii) If syndicated, names of managers: [Not Applicable] / [give names]
- (iii) Date of subscription agreement (if any): [Not Applicable] / []
- (iv) If non-syndicated, name of dealer (if any): [Not Applicable] / []
- (v) Additional selling restrictions: [Not Applicable] / [insert any applicable selling restrictions (and if such selling restrictions replace those set forth in the Base Prospectus, so note)]

5. **OPERATIONAL INFORMATION**

ISIN Code: [Not Applicable] / []
Common Code: [Not Applicable] / []
Swiss Security Number: [Not Applicable] / []
Clearing System: [Not Applicable] / []
Delivery: Delivery [against/free of] payment
Settlement Date: []

6. **NO MATERIAL CHANGE**

Except as disclosed in the Base Prospectus, no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since [insert date of latest annual or interim financial statements meeting the requirements of the FinSA].

7. **AUTHORIZATION**

The issue of the Notes was duly authorized by [] of the Issuer on [].

8. ¹⁰**[ADDITIONAL RISK FACTOR[S] RELATING TO THE NOTES**

For the purposes of the Notes, the section "*Risk Factors – Risks relating to the Notes*" in the Base Prospectus is supplemented by adding the following risk factor[s] to such section:

[].]

9. **RESPONSIBILITY**

The Issuer accepts responsibility for the content of the Base Prospectus and these Final Terms and declares that the information contained in the Base Prospectus, together with these Final Terms, is, to the best of its knowledge, correct and no material facts or circumstances have been omitted therefrom.

Signed on behalf of the Swiss Shakti Foundation, as Issuer:

By:

By:

¹⁰ Include in the case of any additional note-specific risk factors that are not reflected in the Base Prospectus.

USE OF PROCEEDS

The proceeds from the issuance of each Tranche of Notes after deduction of the fees, costs and expenses incurred by the Issuer in connection with such issuance (the “**Net Proceeds**”) will be used by the Issuer in accordance with the Terms and Conditions of the Notes. This means that 10% of the Net Proceeds from the issuance of each Tranche of Notes will be applied in furtherance of the Project (for detailed information on the Project, see the section of this Base Prospectus titled “*Overview of the Project*”). The remaining 90% of the Net Proceeds from any such issuance will be converted, if necessary, into USD and deposited on the relevant Issue Date in one or more deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada and established by the Security Provider. Each such account will be managed by the relevant Investment Manager (or otherwise invested) in accordance with the Fund Management Framework and must be designated by the Security Provider as exclusive to the Series of which such Tranche forms a part.

Notwithstanding the above, under certain circumstances, the Security Provider will be able to withdraw any amount from the accounts for a particular Series so long as immediately after such withdrawal, the aggregate amount of USD in such accounts is equal to or greater than the applicable Series Minimum Pledged Funds Amount, and such withdrawn amount is applied in furtherance of the Project. For these purposes, the Series Minimum Pledged Funds Amount at any time will be equal to:

- (a) during an initial period specified in the applicable Final Terms (which period is referred to as the Reinvestment Period), the applicable percentage (which percentage is expected to be less than 100%, but no less than 90% and is referred to as the Applicable Percentage) of the aggregate principal amount of the Notes of the relevant Series outstanding at such time that is specified in the applicable Final Terms; and
- (b) thereafter, 100% of the aggregate principal amount of the Notes of the relevant Series,

in each case, converted (if necessary) into USD.

The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of any Series. See Condition 9(b) (*Use of Proceeds and Relevant Accounts – Relevant Accounts*) for further information.

OVERVIEW OF THE PROJECT

General

The Swiss-ShaktiFDN is a globally active Swiss non-profit organization, with the mission to end child poverty around the world by enhancing and promoting education. On January 25, 2024, the Swiss-ShaktiFDN launched the Project, which is a unique program (which was gifted by its founder) that addresses school participation deficits globally by utilizing the Protocol integrated in the Network. Based on the Protocol, parents and guardians are incentivized to bring and send their children to school by receiving one SXE for each child, every day the child attends school. The attendance is confirmed and validated by other participants and/or contributors to the child's education, such as school teachers. Rewarding children for school participation has proven effective in fostering socially responsible behaviors within communities. The Protocol embodies this approach by tracking each participating child's school attendance and rewarding parents and guardians for their children's active engagement. In addition, the Project is singularly focused on school participation, which means supporting access to education generally and not intervening in local curriculum content. The Swiss-ShaktiFDN believes that each community has its own unique needs and values and that the community itself is best placed to determine the appropriate curricula.

The Swiss-ShaktiFDN has established and maintains a website, shakticoin.com, on which the Shakti Coin White Paper (Parts I to IV) and other materials that provide relevant details about the Project, including the Network and the nature of SXE, have been published and are available free of charge.

The Swiss-ShaktiFDN has delegated to its affiliate SXE Network Operations LLC, a Wyoming limited liability company ("**SXE Network Operations**"), the authority to perform all services necessary to ensure global compliance with all regulations, territory-by-territory, pertaining to any and all financial matters arising from the Swiss-ShaktiFDN's world-wide activities, as well as to equip SXE Wallet holders with the tools necessary to comply with applicable regulations, including tax requirements. SXE Network Operations currently operates the Network independently. SXE Network Operations was formed in February 2018 and, in February 2019, it became qualified to do business in the State of California as a foreign limited liability company.

In addition to relying on the dedicated staff put in place by, and other key individuals associated with, the Swiss-ShaktiFDN and its affiliates to develop, support and maintain the Network and advance the Project, the Swiss-ShaktiFDN believes in the importance of collaborating with volunteers who are committed to propelling the Project forward. To date, the Swiss-ShaktiFDN has been able to rely on a strong volunteer network to, among other things, assist in the development and testing of the Network, and provide additional support through community based peer-to-peer technical assistance and outreach programs to further the Project. In addition, the Swiss-ShaktiFDN collaborates with multiple technology service providers to further support the Network.

Project Structure

The Network uses the Protocol, which is fully developed and embodied in blockchain-based technology of the Network. The Network is currently active across five continents, operating on a base of approximately 120 servers, which number is continually growing. It is the Swiss-ShaktiFDN's intention that the open-source developer community will become involved and continue to perfect the Project's ecosystem, further enhancing and strengthening certain aspects of the Protocol and the Project's ecosystem.

The Network is designed to be essentially autonomous and self-propagating by those who join the Network by self-onboarding and downloading the required application software, and are incentivized to extend invitations other to join as well. The Network will be accessible to anyone with a computer, smartphone or any other internet-facing device.

The Network is a third-generation proprietary, confederated blockchain designed to address certain limitations of earlier generations of networks. For instance, Bitcoin, the first-generation network, has suffered from excessive electricity consumption. In contrast, the Network operates on regular PCs without the need for costly hardware or high energy consumption, which contribute to its accessibility and eco-friendliness. In addition, second-generation networks, such as Ethereum, have often lacked strict Know Your Client ("**KYC**") compliance. Conversely, access to the Network will be granted only to individuals and entities who register and complete the required onboarding process, which involves a strict KYC

process with respect to a person's identity that is also verified when required by independent autonomous KYC verifiers.

The Network has undergone extensive testing for over three years both internally and by volunteer developers worldwide. Through this testing process, numerous deficiencies were identified and resolved. Since its production launch on January 25, 2024, the Network has been actively used by participants, with no major incidents reported, which the Issuer believes helps to demonstrate the Network's stability and effectiveness.

Participants in the Network

Access to the Network will be granted to any person or entity that registers to join and follows the required onboarding process, which involves a strict KYC process with respect to a person's identity that is also verified when required by independent autonomous KYC verifiers. Upon receiving a valid Shakti ID, a person is able to join the Network and obtain an SXE Wallet permitting the creator to, among other things, (i) store, receive and send SXE and (ii) store, receive and trade Notes. All SXE Wallets are subject to standard terms and conditions governing its use and the holding and release of SXE. The SXE Wallet holder must self-verify and/or may be subject to a third-party verification or by peers before initiating a transfer, of any amount, including micro payments. Each participant must access the Network via approved application software. The number of miners in the Network is not limited by the Swiss-ShaktiFDN or its affiliates, but rather by the number of parents and guardians in the world that have school-aged children.

Participants in the Network include the following:

- (a) Parents/Guardians: The parents (mothers and fathers, if they are able) or guardians of school-aged children are the principal participants in the Network. A parent's or guardian's ability to mine the SXE in the first instance only arises after the child's attendance at school is validated, confirmed, and, in some instances self-attested, at which time the parent or guardian, respectively, earns one SXE for each child every day that the child's attendance at school is verified. The parent's or guardian's SXE Wallet receives each earned SXE the day after it is earned.
- (b) Validators: Validators are persons that validate the physical existence of a child for onboarding into the Network and also validate and confirm the daily attendance of children at school at multiple points in the process. Typical validators could include bus drivers, the school and its personnel (e.g., principal, teacher, school nurse or other suitable school employee). The validation process ensures that the child's attendance is tracked as accurately as possible on a daily basis.
- (c) Nodes: The Network and the Blockchain SXE-Ledger are supported and maintained by nodes who can mine SXE and verify transactions relating to SXE (the "**Nodes**"). Nodes, in turn, receive fees for verifying these transactions. The Nodes verify these transactions and thereby verify and enforce the legitimacy and immutability of the Network and the Blockchain SXE-Ledger (and the transactions recorded thereon). There are two types of Nodes:

Power Nodes: The power Nodes (the "**Power Nodes**") consist of a select group of experienced Nodes incentivized to join the Network and the Blockchain SXE-Ledger and popularize it. Power Nodes pay a software license fee ranging in price from USD 4.45 per week to USD 19.95 per week. Power Nodes must locate their server in a specified data center. Locating the server in a data center provides the power node operator with enhanced geographic stability on the Network for which Power Nodes gain premium support access. The Power Node licenses are limited in number and are distributed as per population distribution.

Regular Nodes: In addition, regular nodes (the "**Regular Nodes**") can join the Network, and there is no limit to the number of Regular Nodes who can join the Network (and the Blockchain SXE-Ledger). Regular Nodes will pay a weekly software license fee of USD 1.49 to operate and maintain the Network (and the underlying blockchain ledger), and their servers can be located anywhere but at a data center. Thus, the difference between a Power Node operator and a Regular Node operator is primarily the location of their

servers. It is contemplated that the Network will continually expand to accommodate Regular Nodes as they sign on to the technology.

The software licensing fees payable by the Power Nodes and the Regular Notes, as described above, are received by the Swiss-ShaktiFDN. The Swiss-ShaktiFDN uses income received from such fees in furtherance of the Project.

- (d) Merchants: The Swiss-ShaktiFDN anticipates that merchants will become participants in order to sell their respective goods and/or services to parents/guardians, validators, node operations and other participants in exchange for SXE being transferred and deposited into the merchant's specific SXE Wallet.

SXE-App and SXE Wallet

The SXE-App is the digital smart phone application through which participants can obtain an SXE Wallet, permitting the creator to, among other things, store, receive and send SXE, and store, receive and trade Notes. The SXE-App runs on both IOS and Android based smartphones and is designed to provide a user-friendly and comprehensible user interface, allowing participants to interact with the Network. Although the SXE-App provides for technical security measures for accessing the SXE-App, the use of the SXE-App (as opposed to certain other applications in the crypto-domain) does not require the user to remember complicated cryptographic private keys or understand the technical aspects of cryptocurrency. The Issuer believes that the user-friendly nature of the SXE-App is an integral part of ensuring that SXE is widely adopted.

SXE can only be stored, received and sent, and the Notes can only be stored, received and traded, within the Network in an SXE Wallet maintained on the Blockchain SXE-Ledger. An SXE Wallet can only be accessed and utilized for the initiation of a transaction on the SXE App after completing the required KYC procedures. (see “—*Participants in the Network*” above). Under the KYC process the person requesting an SXE Wallet must submit comprehensive documentation (confirmation of domicile, place of residence and nationality, ID-copies and current utility bills) adequately evidencing their identity. The submitted documentation is assessed by the Network (under the supervision of SXE Network Operations) and independent autonomous KYC verifiers. The SXE Wallet will only be released and activated for transactions after the completion of the KYC process, including the review by the independent autonomous KYC verifiers. As all holders of an SXE Wallet have completed the KYC process, all participants in the Network are, under certain circumstances, identifiable by SXE Network Operations. This limited anonymity means that SXE (and Tokens) are generally traceable on the Blockchain SXE-Ledger, which the Issuer believes disincentivizes participants from engaging in theft and fraudulent behavior within the Network. All SXE Wallets are subject to standard terms and conditions governing its use and the holding and release of SXE. The SXE Wallet holder must self-verify and/or may be subject to a third-party verification or by peers before initiating a transfer, of any amount, including micro payments.

SXE and its Features

- (a) General: SXE are fungible with each other, but there is no limit on the number of coins that can be earned upon satisfaction of the Protocol. SXE are not issued by the Swiss-ShaktiFDN and/or any of its affiliates but are created according to a mathematical algorithm based on real parents (or guardians) with real school children, collectively making an effort to attend school, which attendance is validated by other participants (*i.e.*, the validators).

Once the Network is successfully operational for some time, the Swiss-ShaktiFDN's expectation is that SXE will naturally evolve into and ultimately become an accepted form of payment through the network of participants thereby increasing the utility of SXE as an incentive for participating families to send their school-aged child to school.

SXE do not provide their holder with any right or privilege to participate in, or to administer, the business policies of the Swiss-ShaktiFDN and are not an investment of any type in the Swiss-ShaktiFDN. In particular, an SXE does not grant the holder any claim and/or rights against the Swiss-ShaktiFDN and/or any of its affiliates.

- (b) Fixed Value of SXE: The Swiss-ShaktiFDN has pronounced and memorialized that the value of an SXE is fixed at USD 5.00, which the Swiss ShaktiFDN currently estimates to be sufficient to provide two square meals a day per school child (for 95% of the world's schoolchildren), with a little extra to purchase materials and school supplies. The Swiss-ShaktiFDN believes that the targeted value of USD 5.00 per SXE will represent a widely accepted value as the Network matures. The operation of, and consensus required in, the Network will also serve to continuously maintain the fixed value of SXE.

The symbol established for the Shakti Coin is SXE (which stands for Shakti eXchanged for Education). The smaller denominations of SXE are "Chai" (value of USD 0.05) and "Toshi" (value of USD 0.0005). Chai is the minimum amount (*i.e.*, USD 0.05) that can be independently transacted within the Network. Micropayments may not be in smaller denominations than one Toshi.

Although the value of SXE, Chai and Toshi is linked to USD, SXE and its smaller denominations are not backed by any physical and/or digital assets and/or fiat money held by the Swiss-ShaktiFDN or any of its affiliates. SXE does therefore not qualify as a "stable-coin" in accordance with Swiss financial market laws.

- (c) Management SXE: When mined via the Network and held in an SXE Wallet, the Network enables holders to tag or label their SXE in order to identify and manage them easily, such as (i) number of SXE earned from mining, (ii) number of SXE stored for future use (savings), (iii) number of SXE dispersed or received for exchanging goods and/or services, and (iv) number of SXE dispersed or received for providing services and/or selling goods, etc. The tagging or labelling is done based on the holder's individual preferences.
- (d) How Participants Use SXE: Once mined in the first instance, it is intended that a parent or guardian will be able to use SXE as a medium of exchange with merchants participating in the Network or potentially transfer them to other participants in their community. The acceptance of the SXE as a currency or medium of exchange is not assured and will likely only occur, if at all, over some extended period of time during which participants and other persons come to believe and accept the utility and fixed value of SXE.
- (e) Secondary Trading of SXE: Every participant in the Network owning SXE is free to trade or exchange them for any purpose desired between the participants either through peer-to-peer transactions through the Network or through other independent transactions (including exchange of SXE for fiat money) on other suitable platforms or exchanges developed and operated by persons or entities other than the Swiss-ShaktiFDN.

DESCRIPTION OF THE ISSUER

General Information

The Issuer is the Swiss Shakti Foundation, a foundation (*Stiftung*) operating under the laws of Switzerland. Its registered office and address is c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland.

The Issuer was established on March 1, 2019, under the name “Swiss Shakti Foundation” and was incorporated and registered in Zug, Switzerland on March 22, 2019, as a foundation (*Stiftung*) pursuant to article 80 *et seq.* of the Swiss Civil Code, as amended, for an unlimited duration. As from that day, the Issuer is registered in the Commercial Register of the Canton of Zug, Switzerland, under the number CHE-328.913.038.

The Issuer is charitable, does not pursue a monetary purpose and does not aim for a profit.

See the section of this Base Prospectus titled “*Swiss Foundation Law*” for information on the laws of Switzerland that are applicable to a foundation (*Stiftung*).

Purpose

According to article 2 of the Issuer’s deed of foundation (*Stiftungsurkunde*) (the “**Deed of Foundation**”) dated March 1, 2019, the Issuer’s mission is to overcome poverty and illiteracy, and to foster financial inclusion and innovation by supporting the Project, which promotes economic growth and the well-being of the world’s society.

The Project empowers parents and guardians to access education for their children and to increase the intellectual potential of every child in the world, so each can become a productive member of society according to their own unique talents and abilities. It aims to cause a development of human intellectual capacities, increase intellectual and agricultural production, raise general consumption for basic items (food, clothing, etc.), relieve families of financial uncertainties and improve the general social environment through the spiritual, psychological and physical development of underprivileged youths (for additional information on the Project, please refer to the section of this Base Prospectus titled “*Overview of the Project*”).

The Foundation Board of Trustees of the Issuer (the “**Foundation Board of Trustees**”) is empowered to enact more detailed regulations regarding the organization and management of the Issuer to enhance and promote the Issuer’s purpose.

The Issuer may engage in any businesses and activities that are suitable to promote its purpose or that are related thereto. It may finance research and development, acquire, manage or dispose of participations in other businesses or establish subsidiaries, branches or representative offices, all in Switzerland or abroad. Further, it may purchase, manage or dispose of Swiss or foreign real estate. Finally, the Issuer may acquire, develop, manage or sell intellectual or commercial property rights as well as receive or grant such rights.

For this purpose, the Issuer can promote activities, educate the public, finance appropriate activities and projects, distribute respective contributions and participate in other companies. The Issuer may participate in and/or delegate the financial and regulatory compliance before enabling the mining of SXE.

The Issuer may also:

- issue, receive, spend, and hold digital information units (no speculative trading activities), and engage with various corporations, partners, banks, regulators, authorities and other third parties for the benefit of the Project’s ecosystem;
- distribute received contributions and participate in organizations, acquire, hold or grant trademarks, IP rights or licenses, organize conferences and other events that support and promote the Protocol; and
- conduct and promote all business and/or enter into all transactions and generally perform all acts as may be necessary, appropriate, incidental to or desirable to assist in achieving or furthering the objects described in the Deed of Foundation.

The Issuer is active in Switzerland and abroad.

Business Overview

The Issuer's business is limited to running and furthering the Project. For additional information on the Project, please refer to in the section of this Base Prospectus titled "*Overview of the Project*".

Main Business Prospects

The Issuer's business is limited to running and furthering the Project. It does not pursue any commercial activities outside of the furtherance of the Project. The Issuer expects the Project to develop, leading to income by the Issuer in SXE and mining fees.

Foundation Board of Trustees

The Issuer is administered by the Foundation Board of Trustees, which consists of a minimum of three members and a maximum of seven members. The Deed of Foundation provides that the members of the Foundation Board of Trustees are appointed individually by the Issuer's founder, subject to confirmation by the existing Foundation Board of Trustees. Members of the Foundation Board of Trustees are appointed for a term of three years and may be re-appointed by the Issuer's founder (subject to confirmation by the existing Foundation Board of Trustees).

The Foundation Board of Trustees has the following inalienable duties:

- to carry out the overall supervision of the Issuer;
- to vest signatory powers and rights of procuracy on behalf of the Issuer;
- to define the actions to be taken to achieve the Issuer's goal;
- to request a change to the Deed of Foundation or the dissolution of the Issuer;
- the confirmation (following the appointment by the Issuer's founder) and removal of the members of the Foundation Board of Trustees and the appointment of the Issuer's auditors, officers, Secretariat and asset manager; and
- approval of the Issuer's annual financial statements.

As of the date of this Base Prospectus, the Foundation Board of Trustees consists of the following members:

- Wilhelm Gudelow, President
- Chad Aaron Nelson, Member
- Jonathan Curci, Member

The business address for each member of the Foundation Board of Trustees is c/o Wilhelm Gudelow, Aegeristrasse 5, 6300 Zug, Switzerland.

Other Administrative, Management and Supervisory Bodies

The Board of Trustees is authorized to, and the Issuer expects that the Foundation Board of Trustees will in the future, appoint an Executive Committee to carry out the day-to-day management of the Issuer and that such Executive Committee will consist of a Chief Executive Officer, a Chief Financial Officer and a Chief Technology Officer. As of the date of this Prospectus, the Foundation Board of Trustees carries out such day-to-day management and has not yet appointed an Executive Committee.

In addition, the Issuer plans to establish an advisory body on educational issues consisting of distinguished professionals with recognized expertise and reputation in the Issuer's areas of focus. The expectation is that such an advisory body's work would be focused on:

- equitable resources for all schools;

- meaningful learning for students;
- building vibrant communities; and
- professional capacity building of educators.

Founder

The Issuer was founded by SXE Fdrs GmbH, a Bahamian private company limited by shares.

Auditor

The Swiss-ShaktiFDN has appointed SIG Fiduciaire SA (CHE-350.365.238), Rue du Purgatoire 3, 1204 Geneva, Switzerland, as its auditor. SIG Fiduciaire SA is subject to the supervision of the Federal Audit Oversight Authority FAOA.

Financial Statements

The financial year of the Issuer ends on December 31 of each year. In accordance with article 83b of the Swiss Civil Code, the Issuer prepares its financial statements in accordance with the Swiss Code of Obligations and not in accordance with any other accounting standard, such as U.S. Generally Accepted Accounting Principles (GAAP) or IFRS Accounting Standards.

The audited financial statements for the year ended December 31, 2023, and the unaudited interim financial statements for the nine-month period ended on September 30, 2024, are incorporated by reference into this Base Prospectus (see the section of this Base Prospectus titled “*Documents incorporated by reference*”). The financial statements for the year ended December 31, 2023 were audited by SIG Fiduciaire SA in accordance with the Swiss Standard on the Limited Statutory Examination only as stated in their report thereon.

For so long as any Note is outstanding, the Issuer expects to publish its audited annual financial statements; however, as a matter of Swiss law, is not required to publish such financial statements or to prepare or publish interim financial information, in each case unless required to do so under the FinSA in connection with an offering or application for admission to trading of securities. Until the Issuer meets the requirements for an ordinary audit under article 727 of the Swiss Code of Obligations, the Issuer expects that any audit of its annual financial statements will be a limited audit within the meaning of article 727a of the Swiss Code of Obligations, which would be done in accordance with the Swiss Standard on the Limited Statutory Examination only. A limited statutory examination has a smaller scope and a lower depth of audit procedures in comparison to a full statutory audit. The Issuer currently has no plans to prepare interim financial statements (other than those incorporated by reference herein) unless required to do so under the FinSA in connection with an offering or application for admission to trading of securities.

Capital Structure

As a foundation (*Stiftung*) operating under the laws of Switzerland, the Issuer is as a matter of law not required to maintain a specific capital structure and is not subject to minimum capital requirements. Based on its audited financial statements for the year ended December 31, 2023, and its unaudited interim financial statements for the nine-month period ended on September 30, 2024, the Issuer has a foundation capital of CHF 50,000 that is not paid in.

SWISS FOUNDATION LAW

This section contains a brief description of the laws of Switzerland and the current interpretation thereof that are applicable to Swiss foundations as in effect on the date hereof, which are subject to change (or subject to changes in interpretation), possibly with retroactive effect. Such description does not purport to be complete and is qualified in its entirety by reference to the laws of Switzerland and the Swiss-ShaktiFDN's deed of foundation (Stiftungsurkunde) in effect on the date hereof.

Management and Use of Assets

The board of trustees (the “**Board of Trustees**”) of a Swiss foundation (*Stiftung*) (a “**Swiss Foundation**”) is the supreme governing body (*oberste Stiftungsorgan*) of the Swiss Foundation and therefore responsible for the overall management of the Swiss Foundation. The Board of Trustees must fulfil all tasks of that are not assigned to another body by law, the Swiss Foundation's deed of foundation (*Stiftungsurkunde*) or the regulations regarding the organization and management of the Swiss Foundation that are issued by the Board of Trustees (the “**Regulations**”). The main task and responsibility of the Board of Trustees is the realization of the will of the Swiss Foundation's founder as embodied in the Swiss Foundation's purpose set out in its deed of foundation. This consists in particular of managing the Swiss Foundation's assets diligently and using them optimally to fulfil the Swiss Foundation's purpose. The Board of Trustees must do everything in its power to allocate the dedicated assets to the Swiss Foundation's purpose and refrain from doing anything that could hinder or prevent the realization of such purpose. The Swiss Foundation's assets must be invested in accordance with the principles of prudent asset management (preservation of assets, security, risk diversification, profitability and liquidity). Within the framework of the legal and statutory requirements, the Board of Trustees has a certain amount of discretion.

State Supervision and Governance

A Swiss Foundation is subject to supervision at the national or the cantonal or the municipal level, depending on its purpose (the relevant national, cantonal or municipal authority, the “**Supervisory Authority**”). The Swiss-ShaktiFDN is supervised at the national level and the relevant Supervisory Authority is the Swiss Federal Supervisory Authority (*Eidgenössische Stiftungsaufsicht*). The Supervisory Authority is responsible to ensure that a Swiss Foundation's assets are used for their intended purpose, and that a Swiss Foundation's foundation bodies (which are specified in its deed of foundation) comply with the law and the Swiss Foundation's deed of foundation and the Regulations and do not abuse their discretion. To fulfil this task, the Supervisory Authority has the authority to take various measures, including of a preventive nature: The preventive measures include, among other things, regulation of a Swiss Foundation's investments, and requiring the relevant foundation bodies of a Swiss Foundation to submit annual reports, accounts and the currently in effect Regulations. As part of its annual reporting, a Swiss Foundation must generally submit an annual activity report, financial statements and auditor's report to the Supervisory Authority. Potential measures that may be taken by the Supervisory Authority in response to violations by a Swiss Foundation of Swiss law or the Swiss Foundation's deed of foundation or Regulations include, among other things, issuing binding directives, issuing warnings, revoking resolutions of the Board of Trustees or the Swiss Foundation's other foundation bodies, initiating criminal prosecution, ordering fines, and ordering the dismissal of members of the Swiss Foundation's foundation bodies (*e.g.*, members of the Board of Trustees). When taking supervisory measures, principles of proportionality and subsidiarity must be observed. Furthermore, the Supervisory Authority cannot act in place of the Board of Trustees.

If the Supervisory Authority does not itself detect irregularities or faults by the Swiss Foundation's foundation bodies in the course of its activities, in particular the periodic review of accounting and reporting, or if the Supervisory Authority remains inactive, there are two further remedies available: a beneficiary, a creditor or the founder of a Swiss Foundation or a member of the Board of Trustees, in each case, with a protected legal interest may file a supervisory complaint (*Stiftungsaufsichtsbeschwerde*) with the Supervisory Authority against any act by or omission of any of the Swiss Foundation's foundation bodies. For example, if the complaint is upheld, the challenged action or omission of the Board of Trustees can be cancelled and the matter be referred back to the Board of Trustees for reconsideration. The complainant obtains party rights in the supervisory investigations or proceedings. In addition, anyone is entitled to file a notice (*Anzeige*) with the Supervisory Authority against acts and omissions of the Swiss Foundation's foundation bodies. The notice does not require any personal interest on the part of the person filing such notice. While the Supervisory Authority is obliged to investigate the allegations in the notice

and to take necessary measures, the person filing such notice is not granted any party rights in the supervisory investigations or proceedings.

Changes to the Foundation

The core of every Swiss Foundation is its purpose. Under Swiss foundation law, a change in purpose is only possible in specific cases and under strict requirements. With the establishment of a Swiss Foundation, the founder's will and, therefore, the framework for the Swiss Foundation's activities are fixed. The Swiss Foundation's purpose and organization can no longer be changed at will.

In the case of the Swiss-ShaktiFDN, a change to its purpose is possible in the following two cases only:

- First, as a matter of Swiss law, the Supervisory Authority can amend the Swiss-ShaktiFDN's purpose *ex officio* or at the request of the Swiss-ShaktiFDN's Board of Trustees if the original purpose has taken on a completely different meaning or effect, so that the Swiss-ShaktiFDN has clearly diverged from the founder's will (see article 86 para. 1 of the Swiss Civil Code). This is the case if the Swiss-ShaktiFDN's original purpose has become pointless, redundant, uneconomical or otherwise no longer reasonably achievable in the manner provided for in the Swiss-ShaktiFDN's deed of foundation. The amended purpose must be as close as possible to the previous purpose.
- Second, the Swiss-ShaktiFDN's founder, SXE Fdrs GmbH, has expressly reserved the right to change the purpose of the Swiss-ShaktiFDN in article 16 of the Swiss-ShaktiFDN's deed of foundation. In accordance with such article, the Swiss-ShaktiFDN's founder is entitled to change the Swiss-ShaktiFDN's purpose at the earliest ten years after the Swiss-ShaktiFDN's establishment, (*i.e.*, in 2029) by submitting an application to the Supervisory Authority. The founder's right to change the Swiss-ShaktiFDN's purpose is non-transferable. Because the Swiss-ShaktiFDN's founder is a legal entity, this right expires 20 years after the establishment of the Swiss-ShaktiFDN (*i.e.*, in 2039). Since the Swiss-ShaktiFDN pursues a charitable purpose, the changed purpose would also need to be charitable. So long as the legal requirements are met, the Supervisory Authority has no discretionary power and must grant the change in purpose requested by the Swiss-ShaktiFDN's founder.

A change to a Swiss Foundation's organization is only possible if it is urgently required to preserve the Swiss Foundation's assets or to maintain its purpose (article 85 of the Swiss Civil Code). The requirements for a change to the organization are, however, significantly lower than for a change in purpose. The change to the organization may concern, for example, the composition of the Board of Trustees, a change in the Swiss Foundation's name, the relocation of the Swiss Foundation's registered office or procedural regulations. In order to effect such a change, Swiss law requires an application to be made by the Supervisory Authority to the competent federal or cantonal authority.

Further, immaterial amendments to a Swiss Foundation's deed of foundation may be made by the Supervisory Authority after hearing the Board of Trustees, provided the relevant amendment is justified for objective reasons and no rights of third parties are affected. Amendments are generally considered to be immaterial if there is no fundamental change to the nature of the Swiss Foundation and no provision of the deed of foundation is affected that is to be regarded as irrevocable according to the presumed will of the Swiss Foundation's founder. Immaterial amendments include, among other things, changing deadlines and quorums for resolutions of the Board of Trustees or any of the Swiss Foundation's other foundation bodies. For changes to the deed of foundation that involve changes to the Swiss Foundation's organization or changes in the Swiss Foundation's purpose, the provisions of article 85 of the Swiss Civil Code and article 86 of the Swiss Civil Code, respectively, must be observed as described in the preceding paragraphs of this section.

Further Protections regarding Swiss Foundations

Swiss foundation law also provides for various other protections of a Swiss Foundation, such as:

- No self-dissolution and no reversion of assets to the Swiss Foundation's founder: Under Swiss law, a Swiss Foundation cannot be dissolved autonomously by its founder or the Board of Trustees. A Swiss Foundation may only be dissolved for reasons provided for by law and only with approval of the Supervisory Authority. In particular, a Swiss Foundation may only be dissolved if the Swiss Foundation's purpose has become unattainable, unlawful or immoral and a change in the purpose is not possible (see “—Changes to the Foundation” above). In such case, the remaining assets of the

Swiss Foundation must be transferred to a tax-exempt charitable organization with a similar purpose. In addition, in the case of the Swiss-ShaktiFDN, its assets may not revert to its founder or its successors in title (see article 17 para. 2 of the Swiss-ShaktiFDN's deed of foundation).

- Auditor requirement: A Swiss Foundation is required to appoint an external auditor, if its balance sheet total is more than CHF 200,000 for two consecutive financial years, if it publicly solicits donations, or if an audit is necessary for a reliable assessment of the Swiss Foundation's assets and earnings. The annual audit report must be submitted to the Supervisory Authority. The Swiss-ShaktiFDN has appointed SIG Fiduciaire SA (CHE-350.365.238), Rue du Purgatoire 3, 1204 Geneva, Switzerland as its auditor.
- Limitation and disclosure of remuneration: According to article 6 of the Swiss-ShaktiFDN's deed of foundation, the members of the Swiss-ShaktiFDN's Board of Trustees are generally required to act in a volunteer capacity. The absence of remuneration received by the Board of Trustees and any executive management is generally a prerequisite for the tax exemption of a Swiss Foundation. If remuneration is paid out to the Board of Trustees or any executive management of a Swiss Foundation, the Board of Trustees must inform the Supervisory Authority on an annual basis of the total amount of remuneration paid directly or indirectly to the Board of Trustees and any executive management.
- Organizational deficiencies: If the Supervisory Authority discovers organizational deficiencies within a Swiss Foundation, it must take the necessary measures. If an adequate organization cannot be ensured, the Supervisory Authority is, as a last resort, entitled to transfer the Swiss Foundation's assets to another foundation with a similar purpose.
- Liability: As a legal entity, a Swiss Foundation is represented and bound towards third parties by its foundation bodies. The assets of a Swiss Foundation are therefore generally liable for its liabilities. However, the Board of Trustees must fulfil its mandate carefully and faithfully (*i.e.*, to protect the interests of the Swiss Foundation in good faith). Under Swiss law, the Board of Trustees is liable to the Swiss Foundation in contract or in tort and to third parties in tort. In the case of an authorized delegation of the day-to-day operational/executive management, the liability of the Board of Trustees is limited to the proper selection, instruction and monitoring of the Swiss Foundation's management. In addition, under Swiss law, the Board of Trustees can also be held criminally liable.

COLLATERAL ARRANGEMENTS

Collateral

General

90% of the Net Proceeds from the issuance of each Tranche of Notes will be converted, if necessary, into USD (the “**Initial Invested Amount**”) and deposited on the relevant Issue Date in one or more deposit, checking, savings, securities, brokerage or other similar accounts located in the United States or Canada and established by the Security Provider (see “*Security Provider*” below). Each such account will be managed by the relevant Investment Manager (see “*Investment Managers*” below), or otherwise invested, in accordance with the Fund Management Framework (see “*Fund Management Framework*” below) and will be designated by the Security Provider as exclusive to the Series of which such Tranche forms a part (each such account, a “**Relevant Account**”). See Condition 9(b) (*Use of Proceeds and Relevant Accounts*) and the section of this Base Prospectus titled “*Use of Proceeds*” for further information.

The Initial Invested Amount in respect of a Tranche of Notes may be deposited in any Relevant Account in respect of the Series of which such Tranche forms a part. The Initial Invested Amount in respect of any Tranche of Notes may not be deposited in a Relevant Account in respect of a Series of which such Tranche does not form a part.

On or before the Issue Date of any Tranche of Notes to be issued, the Security Provider will enter into one or more Collateral Agreements in respect of the Initial Relevant Account(s) (such Collateral Agreements, the “**Initial Collateral Agreements**”), pursuant to which a security interest in respect of each Initial Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders of the Notes of the relevant Series and such security interest is perfected pursuant to the laws of the relevant jurisdiction. Each Collateral Agreement will be governed by the laws of the relevant State of the U.S. or the relevant province or territory of Canada, as applicable. The Final Terms for each Tranche of Notes will specify the applicable governing law and jurisdiction for each Initial Collateral Agreement in respect of such Tranche. However, the Issuer will be under no obligation to notify Holders of the applicable governing law and jurisdiction for any Collateral Agreement in respect of any Additional Relevant Account entered into, or of any change in the governing law or jurisdiction for any Initial Collateral Agreement that occurs, after the applicable Final Terms have been finalized and, if applicable, filed with the Swiss Review Body.

Withdrawal of Amounts from a Relevant Account

So long as any Note is outstanding, the Security Provider may not withdraw any amount from any Relevant Account relating to the relevant Series, unless:

- (a) such withdrawal is made in accordance with subclause (ii) of Condition 9(b) (*Use of Proceeds and Relevant Accounts*); or
- (b) such withdrawal is made in accordance with subclause (iii) of Condition 9(b) (*Use of Proceeds and Relevant Accounts*); or
- (c) such withdrawal is made to satisfy any payment obligation owed by the Issuer to any Holder as a result of any redemption or purchase of Notes by the Issuer under Condition 5 (*Redemption and Purchase*).

As described in clause (a) above, the Security Provider may not move amounts from one Relevant Account to another Relevant Account unless it has entered into a Collateral Agreement in respect of such Relevant Account, pursuant to which a security interest in respect of such Relevant Account is provided by the Security Provider in favor of the Collateral Agent for the benefit of the Holders of the Notes of the relevant Series and such security interest is perfected pursuant to the laws of the relevant jurisdiction. Subject to the foregoing requirements, the Security Provider may at any time and from time to time move any amount from any Relevant Account in respect of a Series to any other Relevant Account in respect of such Series (see subclause (ii) of Condition 9(b) (*Use of Proceeds and Relevant Accounts*)).

As described in clause (b) above, in respect of each Series of Notes, if at any time the aggregate amount of USD in the Relevant Accounts in respect of such Series at such time is greater than the Series Minimum Pledged Funds Amount at such time, the Security Provider may withdraw any amount from such Relevant

Accounts so long as (x) immediately after such withdrawal, the aggregate amount of USD in such Relevant Accounts is equal to or greater than the Series Minimum Pledged Funds Amount, and (y) such withdrawn amount is applied in furtherance of the Project.

For these purposes, the Series Minimum Pledged Funds Amount at any time will be equal to:

- (a) during an initial period specified in the applicable Final Terms (which period is referred to as the Reinvestment Period), the applicable percentage (which percentage is expected to be less than 100%, but no less than 90% and is referred to as the Applicable Percentage) of the aggregate principal amount of the Notes of the relevant Series outstanding at such time that is specified in the applicable Final Terms; and
- (b) thereafter, 100% of the aggregate principal amount of the Notes of the relevant Series,

in each case, converted (if necessary) into USD.

The Issuer will exercise its judgment and sole discretion in determining what uses it considers to be in furtherance of the Project and such uses may include the making of interest or other payments on any Notes of any Series.

See also “*Risk Factors—Risks relating to the Notes—During the Reinvestment Period for a Series of Notes, the Security Provider may withdraw amounts from the Relevant Account(s) for such Series under certain conditions in order to apply such amounts in furtherance of the Project*”.

Security Provider

The Issuer recently established a wholly-owned public benefit non-profit corporation under the laws of Wyoming in the United States with the name “Swiss Shakti Foundation” solely for purposes of such corporation serving as Security Provider. In respect of each Series of Notes, the Security Provider will establish and maintain each Relevant Account relating thereto, and will be a party to the Collateral Agreements in respect of each such Relevant Account, pursuant to which it will provide a security interest in respect of the applicable Relevant Account in favor of the Collateral Agent for the benefit of the Holders of the Notes of such Series and such security interest is perfected pursuant to the laws of the relevant jurisdiction.

Fund Management Framework

The Swiss-ShaktiFDN has established a framework called “Fund Management Framework” (as in effect from time to time, the “**Fund Management Framework**”). In accordance with the General Terms and Conditions, each Relevant Account must be managed by the relevant Investment Manager, or otherwise invested, in accordance with the Fund Management Framework.

Investment Oversight Committee

In accordance with the Fund Management Framework, the Foundation Board of Trustees will establish a committee (the “**Investment Oversight Committee**”). The Investment Oversight Committee will be tasked with regularly evaluating whether the investment strategies of the hedge fund managers from time to time included in the list of approved hedge fund managers that forms a part of the Fund Management Framework (*i.e.*, the Eligible Investment Manager List) are in alignment with the Fund Management Framework and its objectives. The members of the Investment Oversight Committee may from time to time include, but are not limited to, members of the Foundation Board of Trustees, lead and joint lead managers that have been appointed in respect of an offering of Notes with an aggregate principal amount in excess of USD 100 million (or its equivalent in another currency), legal advisors, financial industry experts, academic scholars in finance, risk management specialists, compliance officers, and institutional investors that have purchased and hold at least USD 100 million (or its equivalent in another currency) of Notes.

The Investment Oversight Committee will also be tasked with establishing clear criteria for evaluating hedge fund managers that focus on track record, strategy alignment, and risk management. From this, a rigorous review process will be implemented, including regular performance assessments and due diligence. Transparency and accountability will be maintained through a documented decision-making process and by providing at least annual updates regarding the funds serving as Collateral and their management to the Holders.

Eligible Investment Manager List

In accordance with the General Terms and Conditions, any Investment Manager appointed to manage a Relevant Account must be included in the Eligible Investment Manager List.

In accordance with the Fund Management Framework, each hedge fund manager included in the Eligible Investment Manager List must receive approval from the Foundation Board of Trustees. The Investment Oversight Committee may propose revisions to the Eligible Investment Manager List in accordance with the Fund Management Framework to the Foundation Board of Trustees from time to time, and, if any such revisions are approved by the Foundation Board of Trustees, a revised version of the Fund Management Framework with the updated Eligible Investment Manager List will be published (see “—*Amendments to the Fund Management Framework*” below).

In order to be approved for inclusion in the Eligible Investment Manager List, a hedge fund manager must, among other things, (i) have a minimum of 10 years of professional experience in the financial sector (unless such minimum is waived by the Foundation Board of Trustees in accordance with the Fund Management Framework) with a proven track record of double-digit growth, and (ii) maintain good standing with regulatory bodies and reflect an image of a leading growth fund manager.

Interim Investment Placement Strategies

If no Investment Manager has been appointed to manage a particular Relevant Account, then, in accordance with the Fund Management Framework, the amounts in such Relevant Account will be invested in low-risk investment options, such as money market funds, U.S.-listed exchange-traded funds (ETFs) and index funds, and U.S. Treasury securities (including T-bills, T-notes, and T-bonds), until such time as an Investment Manager can be appointed.

Long-Term Investment Placement Strategies

The Fund Management Framework sets out a four-pronged strategic approach devised by the Foundation Board of Trustees that each Investment Manager must follow. This approach calls for an investment mix of (i) high-growth diversified sectors, (ii) sector diversification, (iii) dual-sector innovation, and (iv) geographical diversification. Once the Foundation Board of Trustees has established the Investment Oversight Committee, the Investment Oversight Committee may revise this approach from time to time in accordance with the Fund Management Framework.

This approach is designed to ensure robust growth potential, stability, and resilience while prioritizing capital protection and investing in high-return projects aligned with the SXE vision. The Issuer’s objective is to generate sustained returns to build up the funds serving as Collateral for each Series of Notes outstanding to 100% of the aggregate principal amount of such Series and, to the extent permitted and in accordance with the applicable Terms and Conditions of the Notes, subsequently direct excess earnings to support the Project.

Verification Process

To protect against error, negligence, fraud, and internal collusion and ensure integrity and proper deployment of the funds serving as Collateral for each Series of Notes, the Fund Management Framework sets out a robust, multi-layered, verification process for any of the following high-value transactions:

- (a) engagement of an Investment Manager to manage funds serving as Collateral for any Series of Notes in excess of USD 100,000 (x) by way of a power of attorney, or (y) indirectly, by purchase of units in a hedge fund of such engaged Investment Manager with a purchase value in excess of USD 100,000; and
- (b) if and to the extent permitted by the applicable Terms and Conditions of the Notes, removal of funds serving as Collateral for the relevant Series of Notes from any Account Bank.

Amendments to the Fund Management Framework

So long as such amendment does not conflict with the applicable Terms and Conditions of the Notes, the Swiss-ShaktiFDN may, without the consent of any Holder, amend the Fund Management Framework (including the Eligible Investment Manager List (see “*Investment Managers*” below)) in accordance with

the terms thereof. So long as any Note is outstanding, the Fund Management Framework will be publicly available free of charge online at www.shaktico.in.com/smartnotes/swissfdn/info (or at such other location online notified to the Holders by the Issuer in accordance with Condition 13 (*Notices*)). The description of the Fund Management Framework above is a summary description of the version of the Fund Management Framework in effect as of the date of this Base Prospectus and is subject to change.

Investment Managers

Each Relevant Account must be managed by an Investment Manager appointed by the Security Provider (or otherwise invested) in accordance with the Fund Management Framework.

Any appointment or termination of appointment by the Security Provider of, or resignation by, any Investment Manager may take place at any time, *provided* that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account must be (and the Issuer shall ensure that any Person appointed by the Security Provider as an Investment Manager in respect of any Relevant Account is) (x) a Person that is either an independent financial institution of international repute or an independent adviser of recognized standing and expertise that is capable of managing, and, where legally required, possesses such valid and current licenses, permits, certificates or other governmental consents, authorizations and approvals, and has made all applicable registrations and filings, required to manage, such Relevant Account in accordance with the Fund Management Framework, and (y) included on the Eligible Investment Manager List.

See also “—*The Collateral securing a Series of Notes will be managed by one or more third party investment managers, and there will be no requirement to maintain a minimum of cash or cash equivalents in the Relevant Account(s) for such Series*”.

Collateral Agency Agreement

Holders of the Notes of each Series have the benefit of a collateral agency agreement dated as of March 5, 2025 (as may be amended, supplemented and/or restated from time to time, the “**Collateral Agency Agreement**”), among the Issuer, the Security Provider and the Collateral Agent. The Collateral Agency Agreement is governed by the laws of the State of New York.

The Collateral Agent may, in accordance with the provisions of the Collateral Agency Agreement, delegate any of its obligations and functions to a third party, as it may in its absolute discretion think fit.

The Collateral Agent is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid or reimbursed any liabilities incurred by it in priority to the claims of the Holders (save in relation to any responsibility arising out of or liabilities incurred as a result of its own gross negligence, willful misconduct or bad faith). In addition, the Collateral Agent is entitled to enter into business transactions with the Issuer or the Security Provider without accounting for any profit.

The Collateral Agent will not be responsible for any loss, liability, cost, damage, expense or inconvenience that may be suffered as a result of any Collateral or any documents of title or other evidence in respect of the Security being uninsured or inadequately insured. The Collateral Agent will not be under any obligation to monitor or supervise the compliance of the Issuer or the Security Provider or any other party to the Collateral Agency Agreement or any Collateral Agreement with its obligations thereunder or to monitor or ascertain whether an Event of Default in respect of any Series of Notes has occurred or exists.

The Collateral Agent will not be required or obliged to take any action or step or institute any proceedings whether in relation to the enforcement of the Security for the Notes of any Series or otherwise without first being indemnified and/or secured and/or prefunded to its satisfaction.

The Collateral Agent will not be under any obligation to monitor or ascertain whether an Event of Default in respect of any Series of Notes has occurred or exists, and the Collateral Agent shall be and is hereby entitled to assume without enquiry and without liability to any Person, in the absence of express written notice to the contrary, that no event has happened that constitutes (and/or that with the giving of notice and/or the lapse of time and/or the issuing any relevant certificate, would constitute) an Event of Default in respect of any Series of Notes.

The Collateral Agent will not be liable for any theft of any Collateral, or any diminution in the value or loss realized upon any sale or other dispositions made of any Collateral pursuant to the Collateral Agency Agreement, the applicable Terms and Conditions of the Notes or any Collateral Agreement.

So long as such amendment does not conflict with applicable Terms and Conditions of the Notes, the terms of the Collateral Agency Agreement provide that the Issuer, the Security Provider and the Collateral Agent may, without the consent of any Holder, agree to amend the provisions thereof. The description of the Collateral Agency Agreement above is a summary description of the version of the Collateral Agency Agreement in effect as of the date of this Base Prospectus and is subject to change. The terms of the Collateral Agency Agreement that relate to the Notes of the applicable Series will be made available by the Collateral Agent to any Holder in electronic or printed form, free of charge, upon request through Network.

See also “*Risk Factors—Risks relating to the Notes—The Issuer, the Security Provider and the Collateral Agent may amend the terms of the Collateral Agency Agreement without the consent of the Holders*”.

Collateral Agent

Pursuant to the terms of the Collateral Agency Agreement, the Issuer and the Security Provider have initially appointed their affiliate Shakti Collateral Agent, LLC, a limited liability company organized under the laws of Delaware in the United States, as Collateral Agent. Shakti Collateral Agent, LLC is a wholly-owned subsidiary of the Issuer and was formed for the sole purpose of acting as Collateral Agent in respect of the Notes.

Pursuant to clause (b) of Condition 10 (*Collateral Agent*), in respect of each Series of Notes to be issued, the Issuer will undertake to use its good faith reasonable efforts to, on or before the first anniversary of the Issue Date for first Tranche of Notes issued under the Program and in accordance with the Collateral Agency Agreement, appoint a Person that is (x) an independent third party of recognized standing and expertise, (y) domiciled in the United States, and (z) experienced in performing the duties to be performed by the Collateral Agent under the Collateral Agency Agreement and the Collateral Agreements relating to, and the Terms and Conditions of the Notes applicable to, such Series as successor Collateral Agent.

Upon acceptance of any interest in a Note, each Holder acknowledges and agrees that each of the Issuer and the Security Provider has appointed the Collateral Agent to act on behalf of the Holders of the Notes of the relevant Series as set out in, and in accordance with, the terms and conditions set out in the Collateral Agency Agreement and the Collateral Agreements relating to such Series. The Collateral Agent is the agent of the Issuer and the Security Provider, is not a trustee for the Holders and does not have the same responsibilities or duties to act for those Holders as would a trustee or other fiduciary.

See also “*Risk Factors—Risks relating to the Notes—The role of Collateral Agent will initially be fulfilled by an affiliate of the Issuer and there is no guarantee that the Issuer will be able to appoint an independent third party as Collateral Agent on or before the first anniversary of the Initial Program Issuance Date or at all*”.

REGISTRATION TERMS

The registration terms that are set out below are the tokenization terms (Registrierungsvereinbarung) within the meaning of article 973d and 973f of the Swiss Code of Obligations for the Notes.

1. DEFINITIONS

“**Base Prospectus**” means the base prospectus prepared in connection with the Program and constituting a base prospectus for purposes within the meaning of article 45 of the Swiss Financial Services Act of June 15, 2018, as amended.

“**Block Coordinators**” has the meaning assigned to such term in clause 3(b) of these Registration Terms.

“**Blockchain SXE-Ledger**” has the meaning assigned to such term in clause 2 of these Registration Terms.

“**Early Redemption Date**” has the meaning assigned to such term in the Terms and Conditions of the Notes.

“**Final Terms**” means the final terms prepared in connection with the issuance of a Tranche of Notes.

“**Gas Fee**” has the meaning assigned to such term in clause 4(d) of these Registration Terms.

“**General Terms and Conditions**” means, in respect of any Tranche of Notes, the General Terms and Conditions of the Notes as set out in the applicable Base Prospectus referred to in the applicable Final Terms.

“**Holder**” means, with respect to any Note, the Person registered in the Register as the holder of such Note.

“**Issuer**” means the Swiss-ShaktiFDN in its capacity as issuer of the Notes.

“**Majordomo**” has the meaning assigned to such term in clause 3(b) of these Registration Terms.

“**Maturity Date**” has the meaning assigned to such term in the Terms and Conditions of the Notes.

“**Network**” means the public blockchain ledger that embodies and implements the Protocol and the native digital cryptocurrency SXE.

“**Nodes**” has the meaning assigned to such term in clause 3(c) of these Registration Terms.

“**Notes**” means the SXE Digital SMART Notes issued by the Issuer under the Program. The Notes will be issued in series (each, a “**Series**”) and each Series may comprise one or more tranches of Notes (each, a “**Tranche**”).

“**Pause Function**” has the meaning assigned to such term in clause 7 of these Registration Terms.

“**Person**” means any individual, corporation, bank, partnership, joint venture, association, joint-stock company, limited liability company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Power Nodes**” has the meaning assigned to such term in clause 3(c) of these Registration Terms.

“**Program**” means the Issuer’s program for the issuing of SXE Digital SMART Notes.

“**Protocol**” means the Proof-of-Effort (PoE) blockchain protocol embodied and implemented by the Network.

“**Registration Terms**” means these registration terms.

“**Register**” has the meaning assigned to such term in clause 2 of these Registration Terms.

“**Regular Nodes**” has the meaning assigned to such term in clause 3(c) of these Registration Terms.

“**Series**” has the meaning assigned to such term in the definition of the term “Notes”.

“**Settlement Currency Election Notice**” has the meaning assigned to such term in the Terms and Conditions of the Notes.

“**Subnet**” means, in relation to the verification of a Transaction under the SXE Consensus Process, the sub-group of Nodes that are from a geographical perspective located closest to the Node initiating the SXE Consensus Process.

“**Swiss Code of Obligations**” means the Swiss Code of Obligations of March 30, 1911, as amended and as may be further amended from time to time.

“**Swiss-ShaktiFDN**” means the Swiss Shakti Foundation, a foundation within the meaning of article 80 *et seqq.* of the Swiss Civil Code of December 10, 1907, as amended and as may be further amended from time to time, and registered with the Commercial Register of the Canton of Zug under the number CHE-328.913.038.

“**SXE**” means the cryptocurrency Shakti Coin, which has a fixed value of USD 5.00 per Shakti Coin that (i) through utilization of the Protocol has been mined as a token, and (ii) has been memorialized and technologically codified by the Swiss-ShaktiFDN in the Network and immutably recorded on the Blockchain SXE-Ledger.

“**SXE-App**” means the digital smart phone application over which an SXE Wallet can be generated.

“**SXE Consensus Process**” has the meaning assigned to such term in clause 3(b) of these Registration Terms.

“**SXE Wallet**” means a self-created electronic key, automatically linked to the creator’s identity by the Network, allowing the creator to, among other things, (i) store, receive and send SXE and (ii) store, receive and trade Notes.

“**Technical Disruption Event**” means any event that in the reasonable discretion of the Issuer may impair the reliability of the Blockchain SXE-Ledger.

“**Terms and Conditions of the Notes**” means, in respect of the Notes of a Tranche, the General Terms and Conditions as completed, supplemented, modified and/or replaced by the terms set forth in Part A of the applicable Final Terms.

“**Transaction**” has the meaning assigned to such term in clause 4(a) of these Registration Terms.

“**Token**” has the meaning assigned to such term in clause 2 of these Registration Terms.

“**Tranche**” has the meaning assigned to such term in the definition of the term “Notes”.

“**USD**” means U.S. dollars.

2. **FORM OF THE NOTES**

Each Tranche of Notes will be issued as ledger based securities (*Registerwertrechte*) within the meaning of article 973d of the Swiss Code of Obligations. Each Note is represented by a digital token (each, a “**Token**”) recorded in the register of ledger based securities (*Wertrechtregister*) (the “**Register**”) maintained on the public permissionless SXE-DLT distributed ledger (the “**Blockchain SXE-Ledger**”) in accordance with the Protocol.

The creation, transfer, exercise of any rights conferred under a Token and other operations relating to a Token are exclusively executed, cleared and recorded through the Blockchain SXE-Ledger in accordance with the Protocol. The Issuer may treat the Person registered as the holder of a Token on the Blockchain SXE-Ledger as the Holder (within the meaning of the Terms and Conditions) of the Note represented by such Token, and the Person registered as the holder of a Token on the Blockchain SXE-Ledger may exercise the rights conferred upon the Holder of the Note represented by such Token under the Terms and Conditions of the Notes.

Neither the Issuer nor any Holder will at any time have the right to effect or demand the conversion of the Tokens into, or the delivery of, uncertificated securities (*einfache Wertrechte*), a permanent global certificate (*Globalurkunde*) or individually certificated securities (*Wertpapiere*).

3. DESCRIPTION OF THE BLOCKCHAIN SXE-LEDGER

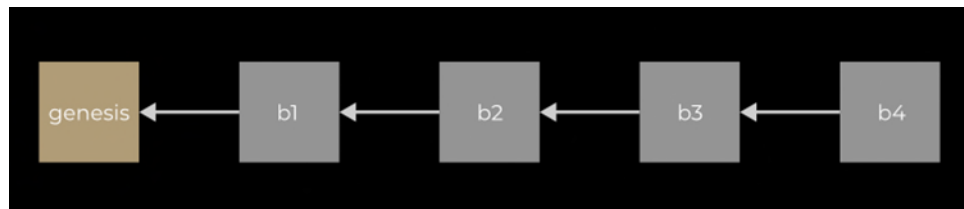
(a) *Functioning of the Blockchain SXE-Ledger*

The Blockchain SXE-Ledger is based on complex mathematical and cryptographical concepts, which are described in these Registration Terms at a high level only.

The Blockchain SXE-Ledger is a public permissionless distributed ledger. As a permissionless distributed ledger, any person that has established an SXE Wallet in accordance with the Protocol can be a participant to the Blockchain SXE-Ledger. The distributed ledger technology, as implemented on the Blockchain SXE-Ledger is based on complex mathematical and cryptographical concepts. The technology makes it possible to maintain records of data relating to Persons whose identity is protected by asymmetric cryptographic methods. Such methods are based on the interplay between a public key (SXE Wallet) and a private key, which are two numbers that are mathematically related. The public key (SXE Wallet), often referred to as the “wallet address” is available to all participants of the Blockchain SXE-Ledger, while the private key is exclusively accessible to the entitled party.

The owner of the private key relating to the SXE Wallet (and the SXE and Notes stored therein) can generate “signature messages” that can be identified as authentic (*i.e.*, as having been generated with the private key) by the Nodes (see below). Such signature messages can be used to initiate Transactions, *i.e.*, new entries on the Blockchain SXE-Ledger. On the Blockchain SXE-Ledger, the Nodes validate Transactions in blocks, by adding a new set of data (or “block”) to a chain of pre-existing blocks.

The diagram and the explanations below illustrate how distributed blocks of data are interconnected to form a blockchain on the Blockchain SXE-Ledger:

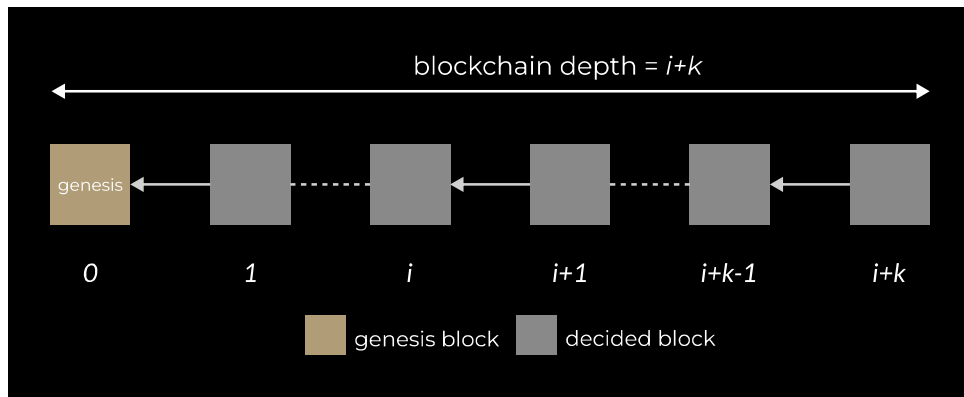


- **Genesis Block:** The blockchain starts with the genesis block.
- **Hash:** Each block contains the previous block’s hash, *i.e.*, **b2** will have the hash of **b1**.

(b) *Consensus Mechanism*

Consensus is essential for maintaining the blockchain’s integrity, reputation, and continuity by establishing a total order—a continuous sequence of blocks.

On the Blockchain SXE-Ledger consensus must be reached among the participating Nodes in accordance the SXE Consensus Process and the verification thresholds required thereunder (as described in more detail below) before a new block can be added to the Blockchain SXE-Ledger so that the block remains a chain. As such, the Blockchain SXE-Ledger is designed never to fork. Therefore, Transactions are verified by the Network before they are recorded on the Blockchain SXE-Ledger.



For each Transaction, the participating Nodes (the initiating Node and the Nodes forming part of the relevant Subnet) verify each other's identity in real-time to ensure that: (i) the application-specific software is current, (ii) the software license is active and matches the license key, (iii) the node license is unexpired, (iv) the Node is a member of the Network and (v) the Node is in good standing.

The process of block construction and consensus solicitation can only commence once the Node verification steps described above have been completed. At this point, the Nodes are permitted to seek consensus on a singular value (a Transaction) for inclusion on the Blockchain SXE-Ledger. For a Transaction to be recorded on the Blockchain SXE-Ledger, the number of faulty nodes participating in the verification process (f) must be less than one-third of n ($f < n/3$), whereas n denotes the total number of Nodes engaged in the consensus process for a specific Transaction (the “**SXE Consensus Process**”). For a Transaction to be verified on the Blockchain SXE-Ledger a minimum of 16 Nodes (consisting of the initiating Node and a minimum of 15 other Nodes within the relevant Subnet) must participate in the SXE Consensus Process. Within the Network it will be ensured that sufficient Nodes are available to verify Transactions at any given time.

Consequently, at least two-thirds (66.7%) of the participating Nodes (the initiating Node and its Subnet, which must involve a minimum of fifteen other Nodes) must verify a Transaction for it to be sent to the Block Coordinators.

Once verified by the initiating Node and its subnet in accordance with the SXE Consensus Process, the initiating Node sends the Transaction to the block coordinators (the “**Block Coordinators**”) for inclusion in a block. The Block Coordinators independently verify the Transactions, compile them into blocks, and forward these blocks to the majordomo (the “**Majordomo**”). The Block Coordinators are responsible for ensuring the validity of the Nodes involved in the SXE Consensus Process. The blocks they create are subsequently distributed by the Majordomo. The Majordomo's role is to disseminate the Transactions received from the Block Coordinators to the entire Network, enabling all Nodes to record them on their ledger. Upon dissemination of the verified Transactions by the Majordomo the Transactions become final and immutable. Any Node can contest for the roles of Majordomo or Block Coordinator; elections are conducted publicly, and all Nodes can verify the results.

(c) **Nodes**

The Blockchain SXE-Ledger is supported and maintained by nodes that can mine SXE and verify Transactions on the Blockchain SXE-Ledger (the “**Nodes**”). Nodes, in turn, receive fees for verifying Transactions. The Nodes verify the Transactions and thereby verify and enforce the legitimacy and immutability of the Blockchain SXE-Ledger (and the Transactions recorded thereon) by ensuring that consensus mechanism is maintained on the Blockchain SXE-Ledger for the valid execution of a Transaction. There are two types of Nodes; whereas each person can only maintain one Node, ensuring a decentralization and democratization of the Blockchain SXE-Ledger:

- **Power Nodes:** The power Nodes (the “**Power Nodes**”) consist of a select group of Nodes incentivized to join the Network and the Blockchain SXE-Ledger and popularize it. Power Nodes pay a software license fee ranging in price from USD 4.45 per week to USD 19.95 per week. Power Nodes must locate their server in a specified data center. Locating the server in a data center provides the power node operator with enhanced geographic stability on the Blockchain SXE-Ledger for which Power Nodes gain premium support access. The power node licenses are limited in number and are distributed as per population distribution.
- **Regular Nodes:** In addition, regular nodes (the “**Regular Nodes**”) can join the Blockchain SXE-Ledger, and there is no limit to the number of Regular Nodes that can join the Blockchain SXE-Ledger. Regular Nodes will pay a weekly software license fee of USD 1.49 to operate and support the Blockchain SXE-Ledger, and their servers can be located anywhere but at a data center. Thus, the difference between a power node operator and a regular node operator is primarily the location of their servers. It is contemplated that the Network will continually expand to accommodate Regular Nodes as they sign on to the technology.

In order to be onboarded as a Node Operator, the Person requesting access must take the following steps:

- **SXE Wallet:** Nodes must obtain an SXE Wallet (or BizVault), which process involves, among other things, submitting to the required Know Your Client (“**KYC**”) process (confirmation of domicile, place of residence and nationality, submission of ID-copies and current utility bills), and link their node address to the SXE Wallet. Earnings for verifying Transactions are subsequently credited to the Node Operator’s SXE Wallet.
- **Acquisition of Software License:** Nodes must acquire a software license and agree to all software license terms and conditions, provide minimum hardware resources, and install application-specific software. It is critical that they install the self-executing software and ensure it remains operational to facilitate the processing of Transactions and to participate in validation with other Nodes. Additionally, Nodes are required to deploy and maintain the software updates within a finite time when new versions are released to enhance network security and efficiency.

Under their contractual obligations, Nodes are prohibited from colluding with others to disrupt the Blockchain SXE-Ledger.

(d) **Disposals of the Tokens**

In order to acquire the Tokens and subsequently receive payments under the Notes in SXE, the Holder must be a participant in the Network and create and maintain an SXE Wallet.

An SXE Wallet can only be accessed and utilized for the initiation of a Transaction on the SXE App after completing the required KYC procedures. Under the KYC process the Person requesting an SXE Wallet must submit comprehensive documentation (confirmation of domicile, place of residence and nationality, ID-copies and current utility bills) adequately evidencing their identity. The submitted documentation is assessed by the Network and independent autonomous KYC verifiers. The SXE Wallet required for acquiring Notes will only be released and activated for Transactions after the completion of the KYC process, including the review by the independent autonomous KYC verifiers.

The SXE App can be downloaded from the Google Play Store and the Apple App Store.

Any Holder (possessing the private key relating to the relevant SXE Wallet (and the Tokens stored therein)) can independently initiate Transactions via the SXE App, which will after verification by the Nodes be irreversibly and immutably recorded on the Blockchain SXE-Ledger. Consequently, the owner of the private key relating to an SXE Wallet has the unilateral power of disposal over the Tokens stored therein.

(e) **Integrity of the Ledger**

The integrity of the Blockchain SXE-Ledger and its recorded transactions is protected by the SHA2-256 hashing algorithm, on which the blockchain ledger is based. If SHA2-256 is found to be flawed, SHA3-256 is available as a backup, making it impossible for anyone to alter a block without being detected. Any alteration would not only change the hash of the altered block, but also break all later blocks because they depend on the earlier ones.

A secondary measure is that the Blockchain SXE-Ledger is distributed, and thus stored on many different systems. If a block is corrupted on one of those systems, it will be detected via the hashing algorithm, and that system will know that it has to get a replacement for that block from an unaffected system.

(f) **Verifiability of the Ledger**

The Blockchain SXE-Ledger is a public permissionless distributed ledger, therefore, all Transactions are irreversibly and immutably recorded on the Blockchain SXE-Ledger, which can be accessed and verified at: <https://shakticoins.com/sxe-ledger>.

4. **TRANSFER OF TOKENS**

(a) ***Transfer of Legal Title***

The transfer of legal title to a Note and the creation of a security or other interest over a Note (each such transfer or creation of interest, a “**Transaction**”) requires the transfer of the Token representing such Note to an SXE Wallet controlled by the acquirer of such Note or of the security or other interest over such Note, via the Blockchain SXE-Ledger in accordance with the rules and procedures of the Blockchain SXE-Ledger and the Protocol. Transactions can be effected by the Holder via the SXE-App.

(b) ***Finality of Transactions***

A Transaction will have been irreversibly recorded on the Blockchain SXE-Ledger and effected on the Blockchain SXE-Ledger when (i) the SXE Consensus Process has been completed (the number of faulty nodes (**f**) satisfies $f < n/3$, with **n** representing the total number of Nodes participating in the SXE Consensus Process), and (ii) such Transaction has been verified by the Block Coordinators and has subsequently been disseminated by the Mojordomo to all Nodes.

(c) ***Effects of a Transaction***

By transferring a Token to an acquirer pursuant to a Transaction on the Blockchain SXE-Ledger, all rights conferred to the Holder of the Note represented thereby will be transferred to the acquiring party upon such Transaction becoming final in accordance with clause 4(b) of these Registration Terms. Upon such Transaction becoming final (i) the acquiring party, as the Holder, will be permitted to exercise all rights of the Holder of such Note, (ii) the transferring party will lose all rights as the Holder of such Note, and (iii) any Settlement Currency Election Notice previously delivered to the Issuer by the transferring party in its capacity as Holder will be automatically revoked.

(d) ***Gas Fee***

Each transaction (including, without limitation, any Transaction and the making and receiving of interest payments on the Notes and any other payments on the Notes required to be made in SXE) on the Blockchain SXE-Ledger is subject to a gas fee (the “**Gas Fee**”). The Gas Fee will be payable in SXE and deducted from the SXE Wallets of the parties involved in the relevant transaction. The majority of the Gas Fee (90%) will be distributed to the Nodes that are active at the time of the relevant transaction and the Nodes participating in the SXE Consensus Process for the relevant transaction, motivating Node owners to keep their Nodes active. The remaining Gas Fee (10%)

will be allocated to network maintenance activities, such as infrastructure upkeep and security enhancements.

5. **TRANSFER RESTRICTIONS**

The Notes are freely transferable in accordance with the terms of the Blockchain SXE-Ledger; *provided, however*, that, no Token will be transferable during the 10-day period ending on the Maturity Date (or, if the Issuer has elected to early redeem the Notes of any Series pursuant to the Terms and Conditions of the Notes and in respect of the Notes of such Series only, ending on the applicable Early Redemption Date).

6. **ESTABLISHMENT OF SECURITY INTERESTS RELATING TO THE NOTES**

Article 973g para. 1 of the Swiss Code of Obligations permits the creation of a security interest over a ledger based security (*Registerwertrecht*) without a formal transfer of the ledger based security, if (i) the security interest is visible in the relevant ledger, and (ii) it is ensured that only the secured party can dispose of the ledger based security upon the occurrence of a default relating to the obligations owed to such secured party that are secured by such security interest. The blockchain-based registration of a security interest as required under article 973g para. 1 of the Swiss Code of Obligations is technically not supported on the Blockchain SXE-Ledger. The legally valid establishment of a security interest relating to a Token, therefore, requires the transfer of the Token in accordance with clause 4 of these Registration Terms.

7. **PAUSE FUNCTION**

Upon the occurrence of a Technical Disruption Event and during the support and maintenance phases for instances regarding software updates, security patches, node performance optimization, network scalability adjustments, consensus algorithm improvements, troubleshooting node connectivity issues, monitoring for potential malicious activities, and ensuring compliance with regulatory changes (the “**Maintenance Phase**”), the Issuer may activate the “pause” function within the SXE-App to prevent Transactions from being recorded on the Blockchain SXE-Ledger until such Technical Disruption Event is no longer continuing or such Maintenance Phase has ended (the “**Pause Function**”), as applicable. During the activation of the Pause Function, it will not be possible to initiate and/or record Transactions on the Blockchain SXE-Ledger and certain other functionalities in the SXE-App may be restricted. The Issuer shall notify the Holders of the activation of the Pause Function (and the underlying Technical Disruption Event and/or Maintenance Phase) in accordance with the Terms and Conditions of the Notes.

8. **STATUTORY TOKEN CANCELATION AND REISSUANCE PROCEDURE**

In respect of any Note, if the relevant Holder initiates proceedings to have the Token representing such Note cancelled and re-issued pursuant to article 973h of the Swiss Code of Obligations, the number of public notices required pursuant to article 973h para. 2 of the Swiss Code of Obligations will be one, and the deadline imposed on Holders to produce the relevant private keys in connection with any such proceedings will be one month.

If any Holder initiates proceedings as described in the paragraph above, the Issuer will cancel and re-issue the relevant Token upon delivery of an enforceable (*vollstreckbar*) court decision ordering such cancellation and re-issuance.

9. **RESPONSIBILITY OF THE HOLDER**

By acceptance of an interest in a Note, each Holder will be deemed to have agreed and acknowledged that it is solely responsible for ensuring compliance with all applicable laws (including, but not limited to, sanctions, tax laws financial market regulations, anti-money laundering regulation and the selling restrictions set out in the Base Prospectus referred to in the applicable Final Terms, as such selling restrictions may be amended by any additional or other selling restrictions set out in the applicable Final Terms) in the context of its holding of Tokens and or the execution of Transactions on the Blockchain SXE-Ledger.

10. **AMENDMENTS**

(a) ***Registration Terms***

The Issuer may amend these Registration Terms at any time and without prior notice to the Holders. Amendments to these Registration Terms will be validly made and binding upon the Holders once published in accordance with the Terms and Conditions of the Notes. Any amendment to these Registration Terms will only affect Transactions entered into after such amendment becomes effective and will not affect any Transaction previously completed.

(b) ***Blockchain SXE-Ledger and Protocol***

The Issuer may make technical amendments and updates to the Blockchain SXE-Ledger and the Protocol at any time and without prior notice to the Holders.

11. **GOVERNING LAW AND JURISDICTION**

- (a) These Registration Terms and the Tokens are governed by and shall be construed in accordance with the laws of Switzerland.
- (b) The courts of the Canton of Zurich (venue being the City of Zurich) have exclusive jurisdiction to settle any disputes that may arise out of or in connection with these Registration Terms and the Tokens.

MEETINGS OF HOLDERS

Except as otherwise specified in Condition 14 (*Meetings of Holders; Amendments Without Holder Consent*), the provisions on bondholder meetings contained in article 1157 *et seq.* of the Swiss Code of Obligations apply in relation to meetings of Holders to consider matters affecting their interests as Holders of the Notes. The Holders of each Series of Notes form a community of creditors for the purposes of these provisions. The following summary of such provisions on bondholder meetings is based on the law as in effect in Switzerland as of the date of this Base Prospectus and is subject to change.

A meeting of Holders is called by the Issuer. The Issuer may call such a meeting, but is also required to call a meeting of Holders within 20 days if it is requested to do so by Holders holding an aggregate principal amount of Notes that represents at least one-twentieth of the outstanding aggregate principal amount of the Notes of the relevant Series. The invitation to a meeting of Holders must be published twice in the Swiss Official Gazette of Commerce and, in accordance with the Terms and Conditions of the Notes of the relevant Series, with the second publication to be made at least ten days prior to such meeting. The agenda for a meeting of Holders must be announced at least ten days prior to such meeting in the same manner as the invitation.

Only Holders or their proxies will be entitled to attend or vote at a meeting of Holders.

In connection with any meeting of Holders that is held in accordance with the rules described above, in certain circumstances, defined majorities of Holders are able to bind all Holders of the Notes of the relevant Series, including Holders that did not attend and vote at such meeting and Holders that voted in a manner contrary to the majority. However, the Holders making up a community of creditors (*i.e.*, all Holders of the Notes of the relevant Series) must all be equally affected by any resolution that limits Holders' rights under the Notes, unless every disadvantaged Holder expressly agrees to such resolution. Any resolution approved at a meeting of Holders that favors one or more individual Holders over other Holders will be void. Any resolution approved at a meeting of Holders that affects the rights of the Issuer also requires the Issuer's consent.

The defined majority of Holders required to pass a resolution at a meeting of Holders will depend on whether the rights of Holders are affected by such resolution and, if so, the type of rights affected. Except as specified in subclause (ii)(B) of Condition 14(a) (*Meetings of Holders; Amendments Without Holder Consent – Meetings of Holders*), the consent of Holders holding at least two-thirds of the outstanding aggregate principal amount of the Notes of the relevant Series is required for specific resolutions exhaustively listed in article 1170 of the Swiss Code of Obligations. Most importantly for the Notes, this requirement applies to resolutions to amend, or forfeit Holders' rights under, the Terms and Conditions of the Notes in any of the following ways:

- (a) approval of a moratorium on interest on the Notes for up to five years, with the option to extend such moratorium up to two more times for up to an additional five years per extension;
- (b) forfeiture of up to five years' worth of interest on the Notes within a seven-year period;
- (c) approval of (i) a decrease in the interest rate on the Notes by up to one-half of the rate set by the Terms and Conditions of the Notes or (ii) the conversion of the interest rate on the Notes from a fixed rate of interest into a rate dependent on the business results, in the case of each of clause (i) and (ii), for a period of up to ten years, with the option to extend such period for up to an additional five years;
- (d) approval of a stay with respect to the Notes (or portions thereof) for up to ten years if the Notes are due or maturing within five years, with the option to extend such period for up to an additional five years;
- (e) approving the early redemption of the Notes (either in whole or in part);
- (f) granting of a priority lien for new capital raised for the Issuer; and/or
- (g) consent to a full or partial conversion of Notes into shares.

Notwithstanding article 1170 of the Swiss Code of Obligations and in accordance with subclause (ii)(B) of Condition 14(a) (*Meetings of Holders; Amendments Without Holder Consent – Meetings of Holders*), the

consent of Holders holding at least two-thirds of the aggregate principal amount of the Notes of the relevant Series represented at the relevant meeting of Holders (rather than Holders holding at least two-thirds of the outstanding aggregate principal amount of the Notes of the relevant Series) will be required to approve any extension of the maturity date of the Notes of such Series.

The Issuer may propose one or more of the foregoing resolutions to a meeting of Holders of a particular Series of Notes and make the approval of each such resolution conditional upon the approval of all such resolutions. In addition, the Issuer may propose one or more of the foregoing resolutions to a meeting of Holders of a particular Series of Notes, but make approval of such resolutions conditional upon the approval of the same resolutions by another community of creditors of the Issuer. In such a case, instead of the majorities required by article 1170 of the Swiss Code of Obligations or, if different, required by the Terms and Conditions of the Notes (see subclause (ii)(B) of Condition 14(a) (*Meetings of Holders; Amendments Without Holder Consent – Meetings of Holders*)), approval of such resolutions will require the approval (x) of Holders representing only a simple majority of the outstanding aggregate principal amount of the Notes of the relevant Series, (y) by the majority of the communities of creditors resolving by a simple majority of the outstanding aggregate principal amount of the relevant bonds held by such community of creditors, and (z) the approval of Holders representing at least two-thirds of the outstanding aggregate principal amount of all bonds (including the Notes of the relevant Series) held by the relevant community of creditors.

Unless all Holders of Notes conferring voting rights are present (*i.e.*, all Holders of Notes that are not the Issuer or any of its subsidiaries) and a unanimous decision is reached, in order for any of the above-described resolutions to become effective and binding on non-consenting Holders, such resolution must be approved by the competent superior cantonal composition court, which in the case of the Issuer will be the complaints department (*Beschwerdeabteilung*) of the High Court (*Obergericht*) of the Canton of Zug. The Issuer must submit such resolutions to the court for approval within one month of their adoption by a meeting of Holders. Notwithstanding the foregoing, following any Issuer Substitution pursuant to Condition 15 (*Issuer Substitution*) pursuant to which the Substitute Issuer is not organized under the laws of Switzerland, no such court approval will be required in order for such a resolution to become effective and binding on non-consenting Holders.

Any other resolutions that limit the rights of Holders by amending, or forfeiting rights under, the Terms and Conditions of the Notes may only be passed by unanimous resolution.

In the case of resolutions that do not limit Holders' rights under the Notes, the consent of Holders holding more than half of the outstanding aggregate principal amount of the Notes actually represented at a meeting of Holders of the Notes of the relevant Series is sufficient to approve such resolution, and no approval by the competent superior cantonal composition court will be required.

Furthermore, in connection with any meeting of Holders, the Holders may appoint a Holders' representative. The consent of Holders representing more than one-half of the outstanding aggregate principal amount of the Notes of the relevant Series is required to (i) revoke or modify the authority conferred on a Holders' representative, if any, or (ii) grant a Holders' representative authority to safeguard the rights of all the Holders in insolvency proceedings.

In connection with the above-described matters, the aggregate principal amount of the relevant Series of Notes that is outstanding is determined on the basis of the Notes that confer voting rights (*i.e.*, all Notes with respect to which the Holder is not the Issuer or any of its subsidiaries).

Notwithstanding the provisions of Swiss law described above, the General Terms and Conditions permit the Issuer to make, without the consent or approval of the Holders, such amendments to the applicable Terms and Conditions of the Notes that it considers to be (i) necessary or desirable to give effect to the provisions of Condition 15 (*Issuer Substitution*), (ii) formal, minor or technical in nature, (iii) necessary to correct a manifest error, or (iv) not materially prejudicial to the interests of the Holders. The Issuer must notify the Holders of any such amendment in accordance with the applicable Terms and Conditions of the Notes, which notice will state the date on which such amendment will be effective.

SWISS TAXATION

The following is a general discussion of certain Swiss tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes whether in Switzerland or elsewhere. Potential investors in Notes should consult their own tax advisors as to the consequences under the tax laws of the country in which they are resident for tax purposes, and under the tax laws of Switzerland, of acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts under the Notes. This summary is based upon the laws of Switzerland in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

Prospective investors in Notes should also note that the appointment by an investor in Notes, or by any person through which an investor holds Notes, of a custodian, collection agent or similar person in relation to such Notes in any jurisdiction may have tax implications. Investors in Notes should consult their own tax advisers in relation to the tax consequences for them of any such appointment.

Withholding Tax

All payments of interest on the Notes will be subject to Swiss withholding tax, which as of the date of this Base Prospectus is levied at the rate of 35%. Consequently, the Issuer will be required to withhold tax at such rate from any payment of interest on the Notes, and no additional amounts will be paid by the Issuer to the relevant Holder(s) in respect of any such withholding.

Although payments of interest on the Notes are made to Holders in SXE in accordance with the Terms and Conditions of the Notes, the Issuer will be required to remit the amount withheld therefrom as described in the paragraph above to the Swiss Federal Tax Administration in Swiss francs. Such Swiss franc amount will be determined by converting the amount of SXE so withheld from such payment into Swiss francs using the exchange rate prevailing between the two currencies as at the applicable Scheduled Due Date. As a result, the Swiss franc amount remitted to the Swiss Federal Tax Administration, and not the SXE amount withheld from the payment of interest to the relevant Holder(s), will be used to determine the amount of any refund of or credit for such withholding claimed in accordance with the procedures described in the paragraph immediately below.

The holder of a Note residing in Switzerland who, at the time the payment of interest on such Note is due, is the beneficial owner of the payment of interest and, if such a holder is an individual, duly reports the gross payment of interest in their tax return and, if such holder is a legal entity or an individual required to keep accounting books, includes such payment as earnings in its income statement, is entitled to a full refund of or a full tax credit for the Swiss withholding tax. A holder of a Note who is not resident in Switzerland may be able to claim a full or partial refund of the Swiss withholding tax by virtue of the provisions of an applicable double taxation treaty, if any, between Switzerland and the country in which such holder resides for tax purposes. Holders of Notes should be aware that the procedures for claiming treaty benefits (and the time frame required for obtaining a tax refund) may differ from country to country. The forms for claiming a refund together with instruction forms may be downloaded from the Swiss Federal Tax Administration's website. Any refund of or credit for Swiss withholding tax described in this paragraph will be made in Swiss francs and will correspond to the applicable portion of the Swiss franc amount remitted to the Swiss Federal Tax Administration in connection with such Swiss withholding tax as described in the paragraph immediately above. For the avoidance of doubt, potential investors in Notes should be aware that any such refund of or credit for Swiss withholding tax is not an amount received or recovered by a Holder under the Notes within the meaning of Condition 17 (*Currency Indemnity*) and, consequently, any person that receives any such refund or credit would not be entitled to any indemnity under the Terms and Conditions of the Notes or otherwise for any loss incurred in connection with the devaluation of the Swiss franc relative to SXE after the Scheduled Due Date.

Securities Turnover Tax

The issuance of the Notes on the relevant Issue Date is not subject to Swiss securities turnover tax (primary market).

Secondary market dealings in Notes with a maturity in excess of 12 months may be subject to Swiss securities turnover tax at a rate of up to 0.15% of the purchase price of the Notes, if a securities dealer in Switzerland or Liechtenstein (as defined in the Swiss Federal Act on Stamp Duties of June 27, 1973, as amended (*Bundesgesetz über die Stempelabgaben*)) is a party to, or acts as an intermediary for, the

transaction and no exemption applies. In such case and subject to applicable statutory exemptions in respect of the one or the other party to a purchase or sale, generally half of the tax is charged to the one party to the purchase or sale and the other half to the other party.

Income Taxation

(a) *Notes held by non-Swiss holders*

Any payment of interest on, or repayment of principal of, a Note by the Issuer made to, or gain realized on the sale or redemption of a Note by, a holder of a Note who (i) is not a resident of Switzerland, and (ii) during the taxation year in which such payment is made or gain is realized has not engaged in trade or business through a permanent establishment in Switzerland to which such Note is attributable, will not be subject to any Swiss federal, cantonal or communal income tax in respect of such Note.

For a discussion of Swiss withholding tax, see above “—*Withholding Tax*”, for a discussion of the automatic exchange of information in tax matters, see below under “—*International Automatic Exchange of Information in Tax Matters*”, and for a discussion of the Swiss facilitation of the implementation of FATCA, see below under “—*Swiss Facilitation of the Implementation of FATCA*”.

(b) *Notes held as private assets by a Swiss resident holder*

A holder of a Note who is an individual resident in Switzerland and who holds such Note as a private asset is required to include any payment of interest they receive on such Note in their personal income tax return for the tax period in which the relevant payment is made, converted from SXE into Swiss francs at the exchange rate prevailing at the time of payment, and will be taxed on any net taxable income (including such payment of interest) for such tax period. A gain (including a gain in respect of interest accrued, foreign currency exchange rate appreciation or change in market interest rate) realized on the sale of such a Note is a tax-free private capital gain. Conversely, a loss (including a loss in respect of foreign currency exchange rate depreciation or change in market interest rate) realized on a sale of such Note is a non-tax-deductible private capital loss.

See “—*Notes held as Swiss business assets (including by private persons classified as professional securities dealers)*” below for a summary on the tax treatment of individuals classified as “professional securities dealers”.

(c) *Notes held as Swiss business assets (including by private persons classified as professional securities dealers)*

Individuals who hold Notes as part of a business in Switzerland, and Swiss resident corporate taxpayers and corporate taxpayers resident abroad holding Notes as part of a permanent establishment in Switzerland, are required to recognize (i) any payments of interest on any such Notes, (ii) a gain realized on the sale or redemption of any such Notes (including a gain, if any, *inter alia*, relating to interest accrued or foreign currency exchange rate appreciation or change in market interest rate), and (iii) a loss realized on the sale or redemption of any such Notes (including a loss, if any, *inter alia*, relating to foreign currency exchange rate depreciation or change in market interest rate), in their income statement for the tax period in which the relevant payment or sale is made, and will be taxable on any net taxable earnings for such period.

The same taxation treatment also applies to Swiss resident individuals who, for income tax purposes, are classified as “professional securities dealers” for reasons of, *inter alia*, frequent dealings and leveraged investments in securities.

International Automatic Exchange of Information in Tax Matters

Switzerland has concluded a multilateral agreement with the European Union (the “EU”) on the international automatic exchange of information (“AEOI”) in tax matters, which applies to all EU member states. In addition, Switzerland signed the multilateral competent authority agreement on the automatic exchange of financial account information (the “MCAA”) and a number of bilateral AEOI agreements with a number of other countries, most of them on the basis of the MCAA. Based on such agreements and the

implementing laws of Switzerland, Switzerland collects and exchanges data in respect of financial assets held in, and income derived thereon and credited to, accounts or deposits (including Notes held in such accounts or deposits) with a paying agent in Switzerland for the benefit of individuals resident in any EU member state or other treaty state. An up-to-date list of the AEOI agreements to which Switzerland is a party that are in effect, or signed but not yet in effect, can be found on the website of the State Secretariat for International Financial Matters SIF. In October 2022, the OECD published the update to the common reporting and due diligence standard for financial account information (the “**CRS**”) and the new Crypto-Asset Reporting Framework (the “**CARF**”). Subject to parliamentary approval, Switzerland intends to adopt the update to the CRS and to implement the CARF.

Swiss Facilitation of the Implementation of FATCA

The United States and Switzerland entered into an intergovernmental agreement (the “**U.S.-Switzerland IGA**”) to facilitate the implementation of the U.S. Foreign Account Tax Compliance Act (“**FATCA**”). Under the U.S.-Switzerland IGA, financial institutions acting out of Switzerland generally are directed to become participating foreign financial institutions. The U.S.-Switzerland IGA ensures that accounts held by U.S. persons with Swiss financial institutions (including any such account in which a Note is held) are disclosed to the U.S. tax authorities either with the consent of the account holder or by means of group requests within the scope of administrative assistance, on the basis of the Convention between the United States of America and the Swiss Confederation for the Avoidance of Double Taxation (the “**Double Taxation Treaty**”). Since it was amended in 2019, the Double Taxation Treaty includes a mechanism for the exchange of information in tax matters upon request between Switzerland and the United States, which is in line with international standards, and allows the United States to make group requests under FATCA concerning non-consenting non-participating foreign financial institutions for periods from June 30, 2014.

On June 27, 2024, Switzerland and the United States signed a new intergovernmental agreement to facilitate the implementation of FATCA (the “**new U.S.-Switzerland IGA**”) that will change the current direct notification-based regime that is in place under the current U.S.-Switzerland IGA to a regime where the relevant information is sent to the Swiss Federal Tax Administration, which in turn provides the information to the U.S. tax authorities. In Switzerland, the implementation of the new U.S.-Switzerland IGA requires an amendment to national law, which will be decided by the Swiss Federal Assembly. According to communication from the State Secretariat for International Finance SIF, such amendment is currently expected to enter into force in Switzerland on January 1, 2027. However, it is not possible to predict whether and when such amendment will be enacted.

SELLING RESTRICTIONS

Subject to all legal and regulatory requirements, Notes may be issued from time to time by the Issuer to any person. The Issuer may from time to time appoint dealers either generally for the Program or in relation to a particular Series or Tranche of Notes (each, a “**Dealer**”). In respect of any Tranche of Notes, the Issuer may elect to distribute such Notes by entering into an agreement with one or more Dealers for that Tranche to be issued by the Issuer and subscription by such Dealer(s). The Dealer(s) for a particular Tranche of Notes, if any, will be specified in the applicable Final Terms.

UNITED STATES

The Notes have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

In respect of each Tranche of Notes, each Distributor (as defined by Regulation S), if any, will be required to agree that it will not offer, sell or deliver such Notes: (a) as part of its distribution at any time; or (b) otherwise, until 40 days after the later of the commencement of the offering and the issue date of such Notes (such 40-day period, the “**Distribution Compliance Period**”), within the United States or to, or for the account or benefit of, U.S. persons, and that it will have sent to each Distributor (as defined by Regulation S) to which it sells any such Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of such Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after commencement of the offering, an offer or sale of Notes within the United States by a Distributor (as defined by Regulation S) (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act.

GENERAL

Persons who come into possession of this Base Prospectus are required by the Issuer and the Dealer(s), if any, to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Notes or have in their possession or distribute such offering material and to obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery by them of Notes under the law and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries, in all cases at their own expense, and neither the Issuer nor any Dealer shall have responsibility therefor. In accordance with the above, Notes purchased by any person that it wishes to offer for sale or resale may not be offered in any jurisdiction in circumstances that would result in the Issuer being obliged to register any further information materials or corresponding document to such Notes in such jurisdiction.

In particular, but without limiting the generality of the preceding paragraph, and subject to any amendment or supplement that may be agreed with the Issuer in respect of any particular Series or Tranche, each purchaser of Notes must comply with the restrictions described above, except to the extent (if at all) that such restrictions relating to any specific jurisdiction shall, as a result of change(s) in, or change(s) in official interpretation of, applicable laws and regulations, no longer be applicable.

Selling restrictions may be supplemented or amended with the agreement of the Issuer. Any such supplement or amendment will be set out in the relevant Final Terms (in the case of a supplement or amendment relevant only to a particular Tranche of Notes) or (in any other case) in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorization

The establishment of the Program was authorized by the Foundation Board of Trustees on February 25, 2025. The Issuer has obtained or will obtain from time to time, all necessary consents, approvals and authorizations in connection with the issue and performance of the Notes.

Court, Arbitral or Administrative Proceedings

Except as otherwise disclosed in this Base Prospectus (including in the documents incorporated by reference herein), there are no court, arbitral or administrative proceedings (including any such proceedings that are pending or threatened, of which the Issuer is aware) that are of material importance to the Issuer's assets and liabilities or profits and losses.

Material Changes

Except as otherwise disclosed in this Base Prospectus (including in the documents incorporated by reference herein), no material changes have occurred in the Issuer's assets and liabilities, financial position or profits and losses since September 30, 2024.

No Paying Agent

There will be no paying agent appointed by the Issuer in respect of the Notes.

Notices to Holders through the Network

In accordance with Condition 13 (*Notices*), notices to Holders shall be given through the Network. Notices will be visible in the "Inbox" of the Holder in the SXE-App and will be considered validly given once retrievable via the SXE-App.

Expected Enhanced Yield on the Notes

The Notes rely on the Network and the Protocol, which are designed to enable investment in, custody of, and transactions in, SXE, the Notes, and potentially third-party-issued digital securities. The Network, the Protocol, and SXE can each be considered innovative and as advancing the emerging sector of blockchain-based finance and providing a foundation for innovation and growth in decentralized financial ecosystems.

Investments in emerging innovative industries or products, particularly those involving cutting-edge industries or technologies like blockchain-based projects or assets, can enable and often provide opportunities for higher yields ("enhanced yields") compared to traditional fixed income investments. These enhanced yields may arise from leveraging decentralized finance (DeFi) structures, staking mechanism, lending/borrowing models or other innovative financial transactions.

While the rate at which each Series of Notes will bear interest will be determined based on prevailing market conditions and market demand at the time of pricing of the initial Tranche of such Series, in light of the enhanced yields sometimes observed in, or in connection with, the above-described novel technologies, the Swiss-ShaktiFDN expects that the Notes will generally need to offer enhanced yields in order to attract investors with expectations aligned with the growth potential of innovative technology sectors.

Potential investors in Notes should be aware that innovative structures, such as the Network, the Protocol and SXE, may be subject to additional risks and regulatory considerations (see "*Risk Factors—Risks relating to the Network, the Protocol, the Blockchain SXE-Ledger and SXE*").

Language

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

Websites

Save as otherwise indicated herein, information on or accessible through any website mentioned in this Base Prospectus does not form part of and is not incorporated into this Base Prospectus.

REGISTERED OFFICE OF THE ISSUER

c/o Wilhelm Gudelow
Aegeristrasse 5
6300 Zug
Switzerland

LEGAL ADVISERS

To the Issuer as to Swiss law

Homburger AG
Hardstrasse 201
8005 Zurich
Switzerland

To the Issuer as to U.S. law

Allen Vellone Wolf Helfrich & Factor P.C.
1600 Stout Street, Suite 1900
Denver, CO 80202
United States of America

AUDITORS

To the Issuer

SIG Fiduciaire SA
Rue du Purgatoire 3
1204 Geneva
Switzerland