



DigitalX Bitcoin ETF (ASX: BTXX) Distribution Reinvestment Plan

Directory

Responsible Entity

K2 Asset Management Ltd
Level 44, 101 Collins Street, Melbourne VIC 3000
Ph: (03) 9691 6191

Unit Registry

Automic Pty Ltd
Ph: 1300 288 664
E: hello@automicgroup.com.au



Summary of the Plan

To enable Unitholders in the DigitalX Bitcoin ETF (**Fund**) to invest Distributions from the Fund in additional units, a Distribution Reinvestment Plan (**Plan**) has been established by the responsible entity of the Fund, K2 Asset Management Ltd (**Responsible Entity**). Participation in the Plan is on an opt out basis.

FEATURES AND BENEFITS

The key features of the Plan are as follows:

- No brokerage or other transaction costs are payable in relation to Units issued under the Plan;
- The Distribution for units participating in the plan are automatically reinvested in new Units;
- Participation in the Plan is on an opt out basis. You may elect to withdraw from the Plan at any time;
- If you do not make a participation election, your Units will default to the reinvest option and will participate in the Plan;
- Units issued under the Plan rank equally in all respects with existing Units from their date of issue; and
- A statement providing details of your participation will be sent to you after each Distribution payment.

PLAN PARTICIPATION

To make an election to opt out of participating in the Plan, all you have to contact the Unit Registry on telephone 1300 288 664 or email hello@automicgroup.com.au.

Subject to details being updated before the relevant Record Date or such other date as determined by the

Responsible Entity, the application will be effective from the next Distribution payment.

Operation of the Plan

ELIGIBILITY

All Unitholders who have a registered address in Australia or New Zealand or in such other countries as are approved by the Responsible Entity from time to time are eligible to participate in the Plan.

PARTICIPATION

Unitholders can decide whether to participate in the Plan. If an election is not made regarding participation in the Plan, Units will default to the reinvest option and will participate in the Plan. Before deciding to apply for participation or to vary the level of participation or withdraw from the Plan, investors should consider these rules and any disclosure documents for the Fund. If necessary, you should consult your financial adviser.

Participants have the following options:

- **No Participation**

Unitholders do not have to participate in the Plan and may receive Distributions of income from the Fund as cash payments in the usual course as directed by the Unitholder.

- **Full Participation**

The Distribution of income on Units held by the Unitholder is reinvested in new Units. In the case of full participation, Units issued under the Plan will be added to the Units already participating in the Plan.

- **Partial Participation**

The Distribution of income on a number of Units as specified by the Unitholder is reinvested in new Units. The Distribution on the remaining (non-participating) Units will be



paid as directed by the Unitholder. In the case of partial participation, Units issued under the Plan are eligible for participation at the Unitholder's discretion.

VARIATION TO LEVEL OF PARTICIPATION OR WITHDRAWAL FROM THE PLAN

You may vary your level of participation or withdraw from the Plan at any time by updating your details with the Unit Registry on 1300 288 664 or hello@automicgroup.com.au.

Subject to your request being received before the Record Date, the variation will be effective from the next Distribution payment.

RANKING FOR DISTRIBUTION

Units issued under the Plan will rank equally in every respect with existing issued Units from their date of issue and will participate in all Distributions declared after the date of issue.

PLAN ISSUE PRICE

Units will be issued at a price (the **Plan Issue Price**) determined by the Responsible Entity or some other person nominated by the Responsible Entity by reference to such information that the Responsible Entity approves for the purpose from time to time.

The number of Units to be issued will be the number (rounded down to the next whole number) arrived at by dividing the amount of the Distribution of that Unitholder, which has been nominated by the Unitholder to participate in the Plan, by the Plan Issue Price. Units will be issued fully-paid. Residual amounts after rounding will be retained within the Fund and will not be transferred to the Unitholder.

COST OF PARTICIPATION

No brokerage, commission or stamp duty (under existing legislation) will be payable by Participants on Units issued under the Plan.

SALE OF UNITS

Units participating in the Plan, or Units issued under the Plan, may be sold at any time by the Unitholder. Units participating in the Plan which are transferred will be withdrawn from the Plan automatically following the receipt of a valid transfer by the Fund.

TAXATION

Under current Australian income tax legislation, Distributions reinvested in Units will be treated in the same manner as if Unitholders had received those Distributions in cash. Participants in the Plan will receive details on the tax deferred and taxable components of the Distributions in the annual AMMA statement. The Fund cannot take responsibility for the taxation liabilities of Participants and it is recommended that you obtain professional taxation advice if required before electing to participate in the Plan.

ENQUIRIES

If you have any queries about how the Plan operates and your participation in the Plan, please contact the Unit Registry:

Automic Pty Ltd

Telephone: 1300 288 664

Email: hello@automicgroup.com.au



Terms and Conditions

1. PARTICIPATION IN THE PLAN

- 1.1. Participation in the Plan is subject to these terms and conditions.
- 1.2. Participation in the Plan is on an opt out basis, not transferable and may be in respect of all or part of a Unitholder's Units.
- 1.3. If no election is made in relation to participation in the Plan for a particular Unit holding, those Units will default to the reinvest option and will participate in the Plan.
- 1.4. Subject to clause 1.6, all Unitholders who have a registered address in Australia or New Zealand, or in such other countries as the Responsible Entity may from time to time designate, may participate in the Plan in accordance with these terms and conditions.
- 1.5. Where a Unitholder, whose registered address is in a country or place other than Australia, wishes to participate in the Plan, the Responsible Entity may, before making any issue of Units, require that Unitholder to produce evidence to satisfy the Responsible Entity that participation in the Plan by that Unitholder or the issue of Units to that Unitholder pursuant to the Plan does not contravene either the laws of Australia or the laws of the country or place shown as the registered address of the Unitholder.
- 1.6. If, in the reasonable opinion of the directors of the Responsible Entity, the issue of the Units by the Responsible Entity or the holding of those Units by the relevant Participant may breach any law or is otherwise in the sole opinion of the directors undesirable or impractical, the directors may at any time and from time to time:
 - 1.6.1 decline an issue of Units under the Plan;
 - 1.6.2 reduce the issue of Units under the Plan on a proportionate basis; and/or
 - 1.6.2 reduce or suspend the participation in the Plan by any Participant.
- 1.7 Without limiting the generality of the above, the Responsible Entity may from time to time determine that the right to participate in the Plan is not available to Unitholders:
 - 1.7.1 who have registered addresses in a country or place where the participation in the Plan would or may be unlawful or if any formality under the laws of that country or place cannot reasonably or practicably be complied with by the Responsible Entity at a cost that is acceptable to the Responsible Entity; or
 - 1.7.2 whose participation in the Plan might lead to foreign persons or associates of foreign persons acquiring a substantial interest or an aggregate substantial interest in the Fund in breach of the *Foreign Acquisitions and Takeovers Act 1975* (Cth).

2. UNITHOLDER ELECTION



- 2.1 A Unitholder who is eligible may elect not to participate in the Plan by updating their Unitholder details by contacting the Unit Registry on 1300 288 664.
- 2.2 Where a Unitholder has more than one allocated Unit holding on the Unit Register, the Unitholder must update details for each separate holding.

3. DEGREE OF PARTICIPATION

- 3.1 Participation in the Plan may be in respect of all or part of a Unitholder's Units.
- 3.2 In the case of full participation, all Units registered in the Participant's name from time to time however acquired (including Units issued under the Plan) will be subject to the Plan.
- 3.3 In the case of partial participation, only the number of Units specified by the Participant in the application, or in any subsequent notice under clause 7.1, will be subject to the Plan.
- 3.4 A Unitholder eligible to participate in the Plan shall specify the degree of participation by:
 - 3.4.1 placing a tick in the box marked "full participation"; or
 - 3.4.2 specifying the number of Units to participate in the Plan.
- 3.5 If a Unitholder does not indicate the degree of participation it shall be deemed to be an election for full participation.
- 3.6 Where the number of Units registered in the name of a Participant at a Record Date is less than the number of Units specified by the Participant, all those Units registered in the name of the Participant will be deemed to be subject to the Plan.

4. OPERATION OF THE PLAN

- 4.1. A Participant in the Plan will be deemed:
 - 4.1.1. to have directed the Responsible Entity to apply the cash Distribution of income that is available for payment in relation to the Unitholder's participating Units (less Withholding Tax or other taxes if applicable) as payment of the application monies required to acquire the Units to be issued pursuant to the Plan.;
 - 4.1.2. to have authorised the Responsible Entity, and to have appointed the Responsible Entity as its agent and attorney, to subscribe for Units in accordance with these terms and conditions; and
 - 4.1.3. to have agreed to be bound by the Constitution of the Fund in respect of all Units issued to the Unitholder under the Plan.
- 4.2. The Responsible Entity will in respect of each Distribution of income payable to a Participant:



- 4.2.1 determine the amount of Distribution payable to the participant in respect of participating Units, less (where applicable) the Australian Withholding Tax or other taxes in respect of that Distribution and credit that amount to the Participant;
 - 4.2.2 determine the maximum number of Units which could be acquired at the Plan Issue Price by dividing the amount of the Participant's Distribution by the Plan Issue Price, and where the number so ascertained results in a fraction, the number will be rounded down to the nearest whole number;
 - 4.2.3 on behalf of and in the name of the Participant, subscribe for that number of additional Units determined under clause 4.2.2;
 - 4.2.4 issue that number of Units to the Participant; and
 - 4.2.5 retain any residual amounts after the rounding calculation and the Unit issue in the Fund.
- 4.3 The price at which Units will be issued (**Plan Issue Price**) will be determined by the Responsible Entity or some other person nominated by the Responsible Entity by reference to information the Responsible Entity approves for the purpose from time to time. Such determination by the Responsible Entity, or some other person nominated by the Responsible Entity, will be binding on all Participants.
- 4.4 Any amount that the Responsible Entity is owed, is entitled to or retain, in relation to the Distribution whether under the Constitution or otherwise, will not be available for subscribing for the purposes under this clause 4.

5. UNITS UNDER THE PLAN

- 5.1. Subject to the Constitution, Units issued under the Plan will be fully paid and will rank equally in all respects with existing Units in the Fund as from the date of issue.
- 5.2. Units issued under the Plan to a Participant will be registered on the Unit Register.
- 5.3. Units to be issued under the Plan will be issued within the time required by the Listing Rules and Constitution. The Responsible Entity will apply for Units issued under the Plan to be listed for quotation on the ASX within the time limits required under the Listing Rules.

6. COSTS TO PARTICIPANTS

- 6.1. No brokerage, commission or other transaction costs will be payable by a Participant in respect of Units issued under the Plan.
- 6.2. The Fund will pay the administrative costs of the Plan in accordance with the Constitution.

7. VARIATION OR TERMINATION OF PARTICIPATION

- 7.1. Subject to clause 10, a Participant may at any time give notice to the Responsible Entity either:
 - 7.1.1. increasing or decreasing the number of participating Units; or



7.1.2. terminating Participation in the Plan in respect of all Units.

7.2. Subject to clause 10, where a Participant dies, or becomes bankrupt or goes into liquidation, participation in the Plan, and the participation of any joint Unitholder, will be terminated upon receipt by the Responsible Entity of notice of death, termination, or liquidation as the case may be.

8. ALTERATION OR TERMINATION OF PARTICIPATION WHERE NO NOTICE IS GIVEN

8.1. Where a Participant disposes by any means (including by sale, redemption or otherwise) of part of its Units and does not otherwise give notice to the Responsible Entity then:

8.1.1. if the number of Units disposed is less than the number of the Participant's non-participating Units, then the Units disposed will be deemed to be non-participating Units; and

8.2. if the number of Units disposed is greater than the number of the Participant's non-participating Units, then the Units disposed will be deemed to be all of the non-participating Units, plus such additional number of participating Units as may be necessary to equal in aggregate the total number of Units disposed.

8.3. Where a Participant disposes all Units without giving the Fund notice of termination of participation in the Plan, the Participant will be deemed to have given notice to terminate participation in the Plan on the last date on which the Unit Registry registered a transfer or other instrument of disposal of the Units.

9. PLAN STATEMENT

9.1. The Unit Registry or the Responsible Entity will send to each Participant a Plan Statement detailing:

9.1.1. the number of the Participant's Units subject to the Plan as at the relevant Record Date;

9.1.2. the amount of distribution payable to the Participants (less withholding tax if applicable) in respect of the Units subject to the Plan;

9.1.3. the number of Units issued to the Participant under the terms and conditions of the Plan;

9.1.4. the Participant's total holding of Units after the issue of additional Units; and

9.1.5. any other information the Responsible Entity may at any time and from time to time deem relevant.

10. APPLICATIONS AND NOTICES

10.1. Applications and notices for the purposes of the Plan shall be in such form and lodged at such place as the Responsible Entity may from time to time require.

10.2. Subject to the terms and conditions, applications and notices will take effect on and from the date on which they are received by the Responsible Entity provided that:

10.2.1 an election to participate in or withdraw from the Plan is not effective until it has been accepted by the Responsible Entity; and



- 10.2.2 applications received and accepted, and notices (including notices of death, bankruptcy or liquidation), received by the Responsible Entity after 5:00pm on a Record Date for determination of entitlements to payment of a Distribution may, in the absolute discretion of the Responsible Entity, either be accepted in respect of that Distribution or may be treated as not being effective in relation to that Distribution, but will be effective for subsequent Distributions.

11. PARTICIPANTS TO BE BOUND

Participants are at all times bound by the terms and conditions of the Plan.

12. RESPONSIBLE ENTITY'S POWERS IN RELATION TO THE MODIFICATION OR TERMINATION OF THE PLAN

- 12.1. The Responsible Entity may from time to time as it thinks fit set a limit on the aggregate amount of Distribution which may be reinvested by Unitholders under the Plan and may vary that limit.
- 12.2. The Responsible Entity may determine administrative procedures to be followed in respect of the implementation of the Plan and may vary those procedures.
- 12.3. The Responsible Entity may at any time modify, vary, amend, repeal and replace or terminate the Plan and such modification, variation, amendment, replacement or termination will take effect on the date of the resolution of the Responsible Entity or such other date as determined by the Responsible Entity.
- 12.4. In the case of modification of the Plan, existing participants will continue under the modified Plan unless the Responsible Entity is notified by a participant in writing otherwise.
- 12.5. The Responsible Entity may suspend the operation of the Plan from time to time for any period and suspension will take effect immediately upon the Responsible Entity giving notice of same to Unitholders.
- 12.6. Participation in the Plan will automatically be suspended during a suspension of the Plan and reinstated upon a re-introduction of the Plan. During a suspension of the Plan, any Distributions will be paid to participants as cash on the relevant Distribution payment date in the normal way.
- 12.7. The accidental omission to give to an individual Unitholder notice of modification, variation, amendment, suspension, replacement or termination of the Plan, or the non-receipt of such notice by a Unitholder, will not invalidate the modification, amendment, variation, suspension, replacement or termination of the Plan.

13. TAXATION

The Responsible Entity makes no representations or warranties in respect of, and accepts no liability for, the liability of participants to pay income tax in respect of any issue of Units, payment or other transaction pursuant to this Plan.

14. GENERAL

- 14.1. The Plan, its operations, and the terms and conditions will be governed by the laws of Victoria.



14.2. The Responsible Entity may waive strict compliance with any of the provisions of the terms and conditions of this Plan.

14.3. Participants will be bound by the terms and conditions as they exist from time to time.

14.4. Notwithstanding any other provision of this Plan, this Plan must be administered in accordance with the Listing Rules, the Corporations Act and the Constitution and if an issue of Units to any Unitholder under the Plan would result in a breach of the Listing Rules, the Corporations Act or the Constitution, the Responsible Entity in its discretion may elect to:

14.4.1 sell the Units that the Unitholder would have been entitled to, taking reasonable steps to maximise the sale price and promptly pay the net proceeds of the sale to the Unitholder; or

14.4.2 determine that the Unitholder is unable to participate in the Plan and pay the Unitholder their Distribution as a cash payment in the usual course.

15. DEFINITIONS AND INTERPRETATION

15.1. When used in these terms and conditions, the words listed below will, unless the context otherwise requires, have the meanings assigned to them:

15.2. "ASX" means ASX Limited or the securities market conducted by it, as the context requires;

15.2.1. "Constitution" means the constitution of the Fund as amended from time to time;

15.2.2. "Corporations Act" means the *Corporations Act 2001* (Cth);

15.2.3. "directors" means the directors for the time being of the Responsible Entity of the Fund;

15.2.4. "Distribution" means amounts to be distributed by the Fund to Unitholders pursuant to the Constitution;

15.2.5. "Fund" means the DigitalX Bitcoin ETF;

15.2.6. "Listing Rules" means the listing rules and operating rules of ASX, as amended or replaced from time to time except to the extent of any express written waiver by ASX;

15.2.7. "Participant" means a Unitholder whose application to participate in the Plan has been accepted by the Responsible Entity;

15.2.8. "Participating Unit" means a Unit in respect of which Distributions are reinvested in accordance with the Plan;

15.2.9. "Plan" means this "DigitalX Bitcoin ETF Distribution Reinvestment Plan" and these terms and conditions relating thereto;



- 15.2.10. "Plan Issue Price" means the price at which new Units will be issued in accordance with clause 4.3 of these terms and conditions;
 - 15.2.11. "Record Date" means a date which the Responsible Entity nominates in accordance with the Constitution for the purpose of determining entitlements to the payment of a Distribution;
 - 15.2.12. "registered address" means the address of a Unitholder as shown in the Unit Register;
 - 15.2.13. "Responsible Entity" means K2 Asset Management Ltd ACN 085 445 094;
 - 15.2.14. "terms and conditions" means all the terms and conditions set out in parts 1-15 (both inclusive) herein with such modifications, variations and amendments as are effected from time to time;
 - 15.2.15. "trading days" means a day which is a trading day under the Listing Rules;
 - 15.2.16. "Unit" means an ordinary fully paid Unit in the capital of the Fund;
 - 15.2.17. "Unitholder" means a person who is registered for the time being as a holder of Units on the Unit Register;
 - 15.2.18. "Unit Register" means the Register of Members kept by the Fund pursuant to the Corporations Act; and
 - 15.2.19. "Unit Registry" means Automic Pty Limited.
- 15.3. In these terms and conditions, unless the context otherwise requires:
- 15.3.1. words importing the singular include the plural and vice versa;
 - 15.3.2. words importing a gender include any gender;
 - 15.3.3. an expression importing a natural person includes any company, partnership, joint venture, association, corporation or other body corporate;
 - 15.3.4. a word or expression in the terms and conditions that deals with a matter dealt with by a provision of the Constitution has the same meaning as in that provision;
 - 15.3.5. a reference to a document or these terms and conditions includes any variation or replacement of it; and
 - 15.3.6. a reference to legislation includes regulations and other instruments made under it and any variation or replacement of any of them.