
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 22, 2024

Grayscale Ethereum Trust (ETH)

(Exact name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

000-56193
(Commission File Number)

82-6677805
(IRS Employer
Identification No.)

c/o Grayscale Investments, LLC
290 Harbor Drive, 4th Floor
Stamford, Connecticut
(Address of Principal Executive Offices)

06902
(Zip Code)

Registrant's Telephone Number, Including Area Code: 212 668-1427

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(g) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Grayscale Ethereum Trust (ETH) Shares	ETHE	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 1.01. Entry into a Material Definitive Agreement.

Custodian Agreement

On May 22, 2024, Grayscale Ethereum Trust (ETH) (the “Trust”), Grayscale Investments, LLC, the sponsor of the Trust (the “Sponsor”) and Coinbase, Inc., the prime broker of the Trust (“Coinbase” or the “Prime Broker”), on behalf of itself and as agent for Coinbase Custody Trust Company, LLC (“Coinbase Custody” or the “Custodian”) and Coinbase Credit, Inc. (“Coinbase Credit” and, collectively with Coinbase and Coinbase Custody, the “Coinbase Entities”), entered into the Coinbase Prime Broker Agreement, which includes the Coinbase Custodial Services Agreement attached thereto as Exhibit A (the “CSA”), the Coinbase Settlement and Transfer Agreement attached thereto as Exhibit B (the “STA”) and all other exhibits, addenda and supplements attached thereto (collectively with the CSA and STA, the “Custodian Agreement”) governing the Trust’s and the Sponsor’s use of the custodial and prime broker services provided by the Custodian and the Prime Broker. The Custodian Agreement establishes the rights and responsibilities of the Custodian, the Prime Broker, the Sponsor and the Trust with respect to the Trust’s Ether which is held in accounts maintained and operated by the Custodian, as a fiduciary with respect to the Trust’s assets, and the Prime Broker (together with the Custodian, the “Custodial Entities”) on behalf of the Trust.

The Custodian Agreement shall not become effective until the date on which the shares of Grayscale Ethereum Trust (ETH) begin trading on NYSE Arca as shares of an exchange-traded product (the “Uplisting Date”).

The foregoing description, together with the below description of certain terms of the Custodian Agreement, is a summary, does not purport to be a complete description of the Custodian Agreement, and is qualified in its entirety by reference to the Custodian Agreement, which is filed as Exhibit 10.1 hereto and is incorporated by reference herein. In addition, the risk factors related to the Custodian Agreement set forth in Exhibit 99.1 hereto update the Trust’s previously filed risk factors to the extent applicable and are incorporated by reference herein.

Coinbase Custody is currently the custodian of the Trust and is party to the Previous Custodian Agreement (as defined in Item 1.02 below).

Accounts; Location of Ether

All of the Trust’s Ether, other than that which is credited to a settlement balance maintained with the Prime Broker (the “Settlement Balance”), is held in custody accounts maintained on the books of the Custodian, as to which the Custodian controls the private keys which allow for the transfer of ownership or control of the Trust’s Ether on the Trust’s behalf (the “Vault Balance”). The Custodian Agreement provides that the Trust’s Vault Balance will be held by the Custodian in segregated wallets or accounts. The Custodian will keep all of the private keys associated with the Trust’s Ether held in the Vault Balance in an offline manner. The term “cold storage” refers to a safeguarding method where the storage of private keys may involve keeping such keys’ materials on a non-networked computer or electronic device or storing the private keys on a storage device. Cold storage is a safeguarding method with multiple layers of protections and protocols, by which the private keys corresponding to the Trust’s Ether are generated and stored in an offline manner. The term “hot storage” refers to the safeguarding method by which the private keys are held online, where they are more accessible, leading to more efficient transfers, though they are potentially more vulnerable to theft, loss or damage.

Additionally, at the Sponsor’s discretion, a portion of the Trust’s Ether holdings may be credited to the Settlement Balance, which will be reflected in a ledger maintained on the books of the Prime Broker. The Custodian Agreement provides that any Ether credited to the Trust’s Settlement Balance will be held (i) in omnibus cold storage wallets; (ii) in omnibus hot storage wallets; or (iii) in omnibus accounts with one of the third-party venues to which Coinbase has established connections (each, a “Coinbase Connected Venue”). The Settlement Balance shall be separate from the Vault Balance and any other account(s) the Trust or the Sponsor maintain with the Custodian. From time to time, the Prime Broker may temporarily keep a portion of the private keys associated with the Ether credited to the Trust’s Settlement Account in hot storage for purposes of facilitating the receipt and distribution of Ether in connection with the creation and redemption of Baskets.

Private key shards associated with the Trust’s Ether are distributed geographically by the Custodial Entities in secure vaults around the world, including in the United States. The locations of the secure vaults may change and are kept confidential by the Custodian for security purposes.

The Custodian Agreement states that the Custodian serves as a fiduciary and custodian on the Trust’s behalf with respect to the Trust’s Ether held in the Vault Balance and the Ether in the Vault Balance are considered fiduciary assets that remain the Trust’s property at all times and are not treated as general assets of the Custodian. Under the Custodian Agreement, the Custodian represents and warrants that it has no right, interest, or title in the Ether in the Trust’s Vault Balance, and agrees that it will not, directly or indirectly, lend, pledge, hypothecate or rehypothecate such digital assets. The Custodian does not reflect such digital assets as assets on the balance sheet of the Custodian, but does reflect the obligation to safeguard such digital assets with a corresponding asset measured at fair value for such obligation. With respect to the Trust’s Ether credited to the Settlement Balance, the Prime Broker maintains an internal ledger that specifies the Ether credited to the Trust’s Settlement Balance. The Custodian Agreement states that the Prime Broker treats such Ether

as custodial assets held for the benefit of the Trust, and shall not be considered the property of the Prime Broker. Additionally, under the Custodian Agreement, the Prime Broker represents and warrants that it will not, directly or indirectly, sell, transfer, loan, rehypothecate or otherwise alienate the Trust's Ether credited to the Settlement Balance.

The Custody Agreement also contains an agreement by the parties to treat the digital assets credited to the Trust's Vault Balance and Settlement Balance as "financial assets" under Article 8 of the New York Uniform Commercial Code ("Article 8") and to treat the Vault Balance and Settlement Balance as "securities accounts" with respect to which the Trust is the "entitlement holder" within the meaning of Article 8. The Custodial Entities' ultimate parent, Coinbase Global, Inc. ("Coinbase Global"), has stated in its most recent public securities filings that in light of the inclusion in its custody agreements of provisions relating to Article 8 it believes that a court would not treat custodied digital assets as part of its general estate, although due to the novelty of digital assets courts have not yet considered this type of treatment for custodied digital assets. See "Risk Factors—The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose a challenge to the safekeeping of the Trust's Ethers and to the operations of the Trust" in Exhibit 99.1 hereto for more information.

Safekeeping of Ether

The Custodian will use commercially reasonable efforts to keep in safe custody on behalf of the Trust all Ether received by the Custodian. All Ether credited to the Vault Balance will (i) be held in the Vault Balance at all times, and the Vault Balance will be controlled by the Custodian; (ii) be labeled or otherwise appropriately identified as being held for the Trust; (iii) be held on a non-fungible basis; (iv) not be commingled with other digital assets held by the Custodian, whether held for the Custodian's own account or the account of other clients other than the Trust; and (v) not without the prior written consent of the Trust be deposited or held with any third-party depository, custodian, clearance system or wallet. Additionally, the Custodian will use commercially reasonable efforts to keep the private key or keys for the Vault Balance secure, and will not disclose such keys to the Trust, the Sponsor or to any other individual or entity except to the extent that any keys are disclosed consistent with a standard of commercially reasonable efforts and as part of a multiple signature solution that would not result in the Trust or the Sponsor "storing, holding, or maintaining custody or control of" the Ether "on behalf of others" within the meaning of the New York BitLicense Rule (23 NYCRR Part 200) as in effect as of June 24, 2015 such that it would require the Trust or the Sponsor to become licensed under such law.

Ether credited to the Trust's Settlement Balance may be held in omnibus wallets maintained by the Prime Broker and/or at Coinbase Connected Venues. While the Ether credited to the Trust's Settlement Balance could be commingled with other assets, the Ether in the Trust's Settlement Balance will represent entitlement to a pro-rata share of the Ether held in such omnibus wallets and/or at Coinbase Connected Venues. In all circumstances the Prime Broker will keep an internal ledger that specifies the assets credited to the Settlement Balance such that the Trust, its auditors and regulators can identify the Trust's pro-rata share of the Ether held in omnibus wallets and/or at Coinbase Connected Venues. Neither the Trust nor the Sponsor have a contractual relationship with the Coinbase Connected Venues utilized by the Custodial Entities.

Insurance

Pursuant to the terms of the Custodian Agreement, the Custodian is required to maintain insurance in such types and amounts as are commercially reasonable for the custodial services it provides. The Custodian has advised the Sponsor that it has insurance coverage pursuant to policies held by Coinbase Global, which procures fidelity (or crime) insurance coverage at commercially reasonable amounts for the custodial services provided. This insurance coverage is limited to losses of the digital assets the Custodian custodies on behalf of its clients, including the Trust's Ether, resulting from theft, including internal theft by employees of Coinbase and its subsidiaries and theft or fraud by a director of Coinbase if the director is acting in the capacity of an employee of Coinbase or its subsidiaries. Although the Prime Broker is not required to maintain insurance under the terms of the Custodian Agreement, the Custodial Entities have also advised the Sponsor that they maintain insurance coverage pursuant to such policies held by Coinbase Global.

Deposits, Withdrawals and Storage

The Custodian and the Prime Broker provide for: (i) holding of the Trust's Ether in the Vault Balance and the Settlement Balance; (ii) transfer of the Trust's Ether between the relevant Vault Balance and the Settlement Balance; (iii) the deposit of Ether from a public blockchain address into the respective account or accounts in which the Vault Balance or the Settlement Balance are maintained; and (iv) the withdrawal of Ether from the Vault Balance to a public blockchain address the Trust controls (each such transaction is a "Custody Transaction") (collectively, the "Custodial and Prime Broker Services").

The Custodian reserves the right to refuse to process or to cancel any pending Custody Transaction as required by law or in response to a subpoena, court order, or other binding government order or to enforce transaction, threshold, and condition limits, in each case as communicated to the Trust as soon as reasonably practicable where the Custodian is permitted to do so, or if the Custodian reasonably believes that the Custody Transaction may violate or facilitate the violation of an applicable law, regulation or applicable rule of a governmental authority or self-regulatory organization. The Custodial Entities may suspend, restrict or terminate the Trust's and the Sponsor's access to the Custodial and Prime Broker Services, and/or suspend, restrict or close the accounts associated with the Trust's Vault Balance and Settlement Balance (the "Accounts") if the Trust or Sponsor has taken certain actions, including any prohibited use

or prohibited business as set forth in the Custodian Agreement or if either or both of the Custodial Entities are required to do so by a subpoena, court order, or other binding government order.

From the time the Custodian has verified the authorization of a complete set of instructions to withdraw Ether from the Vault Balance, the Custodian will have a limited amount of time to process and complete such withdrawal. The Custodian will ensure that initiated deposits are processed in a timely manner but the Custodian makes no representations or warranties regarding the amount of time needed to complete processing which is dependent upon many factors outside of the Custodian's control. Transactions relating to Ether held in the Settlement Balance occur on the Ether blockchain.

The Custodial Entities make no other representations or warranties with respect to the availability and/or accessibility of Ether or the availability and/or accessibility of the Vault Balance, the Settlement Balance or the Custodial and Prime Broker Services.

Security of the Accounts

The Custodial Entities securely store all digital asset private keys held by the Custodian on secure servers or offline, in cold storage. Under the Custodian Agreement, the Custodian must use commercially reasonable efforts to keep the private key or keys to the Vault Balance secure, and may not disclose such private keys to the Sponsor, Trust or any other individual or entity.

The Custodial Entities have implemented and will maintain reasonable information security programs that include policies and procedures that are reasonably designed to safeguard the Custodial Entities' electronic systems and the Trust's and the Sponsor's confidential information from, among other things, unauthorized access or misuse. In the event of a Data Security Event (as defined in the Custodian Agreement), the Custodial Entities will promptly (subject to any legal or regulatory requirements) notify the Trust and the Sponsor.

Key Generation

Public addresses and their corresponding private keys are generated by the Custodian, as applicable in secret key generation ceremonies at secure locations inside faraday cages, which are enclosures used to block electromagnetic fields and thus mitigate against attacks. The Custodian uses quantum random number generators to generate the public and private key pairs.

Once generated, private keys are encrypted, separated into "shards", and then further encrypted. After the key generation ceremony, all materials used to generate private keys, including computers, are destroyed. All key generation ceremonies are performed offline. No party other than the Custodian has access to the private key shards of the Trust.

Key Storage

Private key shards are distributed geographically by the Custodial Entities in secure vaults around the world, including in the United States. The locations of the secure vaults may change and are kept confidential by the Custodian and the Prime Broker for security purposes.

The Vault Balance primarily uses "cold" storage mechanisms to secure a substantial portion of the Trust's private keys. A substantial portion of the Trust's Ether holdings will be held in cold storage at all times, with a portion of the Settlement Balance held temporarily in hot storage from time to time, for purposes of facilitating the receipt and distribution of Ether in connection with the creation and redemption of Baskets. Any Ether credited to the Trust's Settlement Balance is stored in omnibus accounts, either on the Prime Broker's systems or at Coinbase Connected Venues, using a combination of cold and hot storage mechanisms to secure the private keys representing the assets credited to the Trust's Settlement Balance.

The term cold storage refers to a safeguarding method where the storage of private keys may involve keeping such keys' materials on a non-networked computer or electronic device or storing the private keys on a storage device. Cold storage is a safeguarding method with multiple layers of protections and protocols, by which the private keys corresponding to the Trust's Ether are generated and stored in an offline manner. A digital wallet may receive deposits of digital assets but may not send digital assets without use of the digital assets' corresponding private keys. In order to send digital assets from a digital wallet in which the private keys are kept in cold storage, either the private keys must be retrieved from cold storage and entered into an online, or hot, digital asset software program to sign the transaction, or the unsigned transaction must be transferred to the cold server in which the private keys are held for signature by the private keys and then transferred back to the online digital asset software program. At that point, the user of the digital wallet can transfer its digital assets. While private keys held in hot storage are more accessible and therefore enable more efficient transfers, such assets are more vulnerable to theft, loss or damage.

Security Procedures

The Custodian and the Prime Broker hold the Trust's private keys in custody in accordance with the terms and provisions of the Custodian Agreement. Transfers to and from the Vault Balance and, where held in cold storage, the Trust's Settlement Balance, require certain security procedures, including but not limited to, multiple encrypted private key shards, usernames, passwords and 2-step verification. Multiple private key shards held by the applicable Custodial Entity or Entities must be combined to reconstitute the private

key to sign any transaction in order to transfer the Trust's assets. Private key shards are distributed geographically by the Custodial Entities in secure vaults around the world, including in the United States.

As a result, if any one secure vault is ever compromised, this event will have no impact on the ability of the Trust to access its assets, other than a possible delay in operations, while one or more of the other secure vaults is used instead. These security procedures are intended to remove single points of failure in the protection of the Trust's assets.

Transfers of Ether to the Vault Balance from the Settlement Balance will be available to the Trust once processed on the Ethereum blockchain, subject to the availability of the Prime Broker's online platform. When u is credited to the Settlement Balance, certain movements to allocate the balance among (i) omnibus cold storage wallets and omnibus hot storage wallets on the Prime Broker's platform; or (ii) omnibus accounts at Coinbase Connected Venues may not be viewable by the Trust via the Prime Broker's online portal. In addition, on a monthly basis the Custodial Entities will provide the Sponsor with an account statement identifying the amount of cash and Ether in the Trust's Accounts at the end of the period and listing all account activity during that period.

Record Keeping; Inspection and Auditing

The Custodian will keep timely and accurate records as to the deposit, disbursement, investment and reinvestment of the Ether in the Vault Balance, and such records must be retained by the Custodian for no less than seven years. The Custodian Agreement also provides that each Custodial Entity will permit, to the extent it may legally do so, the Trust's third-party representatives, upon thirty days' notice, to inspect, take extracts from and audit the records that it maintains, take such steps as necessary to verify that satisfactory internal control systems and procedures are in place, as the Trust may reasonably request. The Prime Broker is obligated to notify the Trust of any audit report prepared by its internal or independent auditors if such report reveals any material deficiencies or makes any material objections.

In addition, the Trust and the Sponsor are entitled to request that the Custodial Entities provide a copy of the Services Organization Controls ("SOC") 1 report and SOC 2 report once per calendar year. Such reports are required to be dated within one year prior to such request. The Custodial Entities reserve the right to combine the SOC 1 and SOC 2 reports into a comprehensive report. In the event that the Custodial Entities do not deliver a SOC 1 Report or SOC 2 Report, as applicable, the Sponsor and the Trust will be entitled to terminate the Custodian Agreement. In addition to the review of SOC 1 and SOC 2 reports, the Trust may also request letters of representation on a quarterly basis between SOC reports regarding any known changes or conclusions to the SOC 1 and SOC 2 reports.

Standard of Care; Limitations of Liability

The Custodian will use commercially reasonable efforts to keep in safe custody on behalf of the Trust all Ether received by the Custodian. The Custodial Entities are liable to the Sponsor and the Trust for the loss of any Ether to the extent such loss resulted from the negligence, fraud or willful misconduct of the Custodial Entities. To the extent any loss is caused by a Custodial Entity's negligence, fraud or willful misconduct, the Custodial Entities are required to return to the Trust a quantity of Ether equal to the quantity of any such lost Ether.

The Custodial Entities' or Trust's total liability under the Custodian Agreement will not exceed the greater of: (i) the value of the Ether or cash involved in the event, including but not limited to transaction(s) or deliveries(s), giving rise to such liability at the time of the event giving rise to such liability; (ii) the aggregate amount of fees paid by the Trust to the Custodial Entities in respect of the Custody and Prime Broker Services in the 12-month period prior to the event giving rise to such liability; or (iii) five million U.S. dollars. The Custodian's total liability under the Custodian Agreement will not exceed the greater of: (i) the aggregate amount of fees paid by the Trust to the Custodian in respect of the custodial services in the 12-month period prior to the event giving rise to such liability; or (ii) the value of the Ether on deposit in the Vault Balance at the time of the events giving rise to the liability occurred, the value of which will be determined in accordance with the Custodian Agreement. In addition, the Custodian's maximum liability in respect of each cold storage address that holds Ether shall be limited to \$100 million (the "Cold Storage Threshold"). The Sponsor monitors the value of Ether deposited in cold storage addresses for whether the Cold Storage Threshold has been met by determining the U.S. dollar value of Ethers deposited in each cold storage address on business days. Although the Cold Storage Threshold has to date not been met for a given cold storage address, to the extent it is met the Trust would not have a claim against the Custodian with respect to the digital assets held in such address to the extent the value exceeds the Cold Storage Threshold.

The Custodial Entities and the Trust are not liable to each other for any special, incidental, indirect, punitive, or consequential damages, whether or not the other party had been advised of such losses or knew or should have known of the possibility of such damages. In addition, the Custodial Entities are not liable to the Trust for circumstances resulting from certain force majeure events.

Indemnity

The Trust and the Custodial Entities have agreed to indemnify one another from and against certain claims or losses, subject to customary exceptions and limitations.

Fees and Expenses

The Sponsor will pay an annualized fee to the Coinbase Entities, covering the Trust's use of the Custodial and Prime Broker Services, that is accrued on a monthly basis as a percentage of the Trust's monthly assets under custody. The Sponsor will also pay a monthly fee to the Prime Broker, covering withdrawals and deposits to or from the Settlement Balance in connection with the creation and redemption of Shares.

Term; Termination and Suspension

The Custodian Agreement will remain in effect until either party terminates the Custodian Agreement; provided, however, that the Coinbase Entities shall not restrict, suspend, or modify any Prime Broker Services following termination of the Custodian Agreement by a Custodial Entity without Cause (as defined in the Custodian Agreement) or by the Trust until the end of the applicable notice period and neither party's termination of the Custodian Agreement will be effective until the Trust and/or the Custodial Entities, as the case may be, have fully satisfied their obligations thereunder.

The Trust may terminate the Custodian Agreement in whole or in part upon thirty days' prior written notice to the applicable Custodial Entity; and (ii) for Custodian Cause (as defined in the Custodian Agreement) at any time by written notice to the Prime Broker, effective immediately, or on such later date as may be specified in such notice. The Trust will also be entitled to terminate the Custodian Agreement in the event that the Custodial Entities do not deliver a SOC 1 Report or SOC 2 Report, as applicable. See "—Record Keeping; Inspection and Auditing."

The Custodial Entities may terminate the Custodian Agreement (i) upon one hundred eighty days' prior written notice to the Trust; and (ii) for Cause at any time by written notice to the Trust, effective immediately, or on such later date as may be specified in the notice.

In the event that either the Trust or the Custodial Entities terminate the Custodian Agreement without Cause, the Custodial Entities shall use reasonable efforts to assist the Trust with transferring any digital assets, fiat currency or funds associated with the Trust's Accounts to another custodial services provider within ninety days of receipt of the applicable termination notice.

Governing Law

The Custodian Agreement is governed by New York law.

Co-Transfer Agency Agreement

On May 22, 2024, the Sponsor and Continental Stock Transfer & Trust Company, a Delaware corporation ("Continental"), entered into a Co-Transfer Agency Agreement (the "Co-Transfer Agency Agreement") engaging Continental to serve as a co-transfer agent for the Trust (the "Co-Transfer Agent"). The Co-Transfer Agency Agreement sets forth the obligations and responsibilities of the Co-Transfer Agent with respect to transfer agency services for certain Trust shares held in book-entry form prior to the Uplisting Date.

Although executed as of May 22, 2024, the Co-Transfer Agency Agreement shall not become effective and the services to be provided under the Co-Transfer Agency Agreement shall not be provided until the Uplisting Date.

Fees paid to the Co-Transfer Agent are a Sponsor-paid Expense.

The foregoing description is a summary, does not purport to be a complete description of the Co-Transfer Agency Agreement, and is qualified in its entirety by reference to the Co-Transfer Agency Agreement, which is filed as Exhibit 10.2 hereto and is incorporated by reference herein.

Item 1.02. Termination of a Material Definitive Agreement.

Previous Custodian Agreement

In connection with the entry into the Custodian Agreement, the Sponsor and the Custodian agreed to terminate, as of the Uplisting Date, the Amended and Restated Custodian Agreement, dated June 29, 2022, between the Sponsor and the Custodian (the “Previous Custodian Agreement”).

Under the Previous Custodian Agreement, the Custodian controlled and secured the Trust’s “Digital Asset Account,” a segregated custody account to store private keys, which allow for the transfer of ownership or control of the Trust’s Ether, on the Trust’s behalf. The Custodian’s services (i) allowed Ether to be deposited from a public blockchain address to the Trust’s Digital Asset Account and (ii) allowed the Trust or Sponsor to withdraw Ether from the Trust’s Digital Asset Account to a public blockchain address the Trust or Sponsor controls.

The Custodian and certain of its affiliates are party to the Custodian Agreement.

Transfer Agency and Service Agreement

In connection with the entry into the Transfer Agency and Services Agreement with BNY Mellon and the Co-Transfer Agency Agreement with Continental, the Sponsor and Continental agreed to terminate, as of the Uplisting Date, the transfer agency and services agreement, dated December 12, 2017, among the Sponsor, the Trust and Continental, pursuant to which Continental served as transfer agent for the Trust. As a result, effective as of the Uplisting Date, Continental will no longer act as the transfer agent for the Trust but will continue to serve as the Co-Transfer Agent as described above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
10.1	Custodian Agreement, dated May 22, 2024, between the Sponsor and the Custodian
10.2	Co-Transfer Agency Agreement, dated May 22, 2024, between the Sponsor and the Co-Transfer Agent
99.1	Risk Factors Related to the Custodian Agreement
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Grayscale Investments, LLC as Sponsor of Grayscale
Ethereum Trust (ETH)

Date: May 29, 2024

By: /s/ Edward McGee

Edward McGee
Chief Financial Officer*

* The Registrant is a trust and the identified person signing this report is signing in their capacity as an authorized officer of Grayscale Investments, LLC, the Sponsor of the Registrant.

Certain confidential information contained in this document, marked by [***], has been omitted because the registrant has determined that the information (i) is not material and (ii) is the type that the registrant treats as private or confidential.

COINBASE PRIME BROKER AGREEMENT

General Terms and Conditions

1. Introduction

This agreement (including, the Coinbase Custody Custodial Services Agreement attached hereto as Exhibit A (the “Custody Agreement”), the Coinbase Settlement and Transfer Agreement attached hereto as Exhibit B (the “STA”), and all other exhibits, addenda and supplements attached hereto or referenced herein, collectively, the “Coinbase Prime Broker Agreement”), is entered into by and between Grayscale Ethereum Trust (ETH) (“Client”), Grayscale Investments LLC (“Sponsor”), and Coinbase, Inc. (“Coinbase”), on behalf of itself and as agent for Coinbase Custody Trust Company, LLC (“Coinbase Custody” or “Trust Company”), and, as applicable, Coinbase Credit, Inc. (“Coinbase Credit,” and collectively with Coinbase and Coinbase Custody, the “Coinbase Entities”). This Coinbase Prime Broker Agreement sets forth the terms and conditions pursuant to which the Coinbase Entities will open and maintain the prime broker account (the “Prime Broker Account”) for Client and provide services relating to custody and other services (collectively, the “Prime Broker Services”) for certain digital assets (“Digital Assets”) as set forth herein. Client and the Coinbase Entities (individually or collectively, as the context requires) may also be referred to as a “Party”. Capitalized terms not defined in these General Terms and Conditions (the “General Terms”) shall have the meanings assigned to them in the respective exhibit, addendum, or supplement. In the event of a conflict between these General Terms and any exhibit, addendum, or supplement hereto, then the document governing the specific relevant Prime Broker Service shall control in respect of such Prime Broker Service.

Although executed as of the date hereof, this Coinbase Prime Broker Agreement shall not become effective until the date on which shares of Grayscale Ethereum Trust (ETH) begin trading on NYSE Arca as shares of an exchange-traded product.

2. Conflicts of Interest Acknowledgement

Client acknowledges that the Coinbase Entities may have actual or potential conflicts of interest in connection with providing the Prime Broker Services including that Coinbase does not engage in front-running, but is, or may be, aware of pending movements of Digital Assets, and may execute a trade for its own inventory (or the account of an affiliate) while in possession of that knowledge. As a result of these and other conflicts, the Coinbase Entities may have an incentive to favor their own interests and the interests of their affiliates over a particular Client’s interests and have in place certain policies and procedures in place that are designed to mitigate such conflicts. Coinbase will maintain appropriate and effective arrangements to eliminate or manage conflicts of interest, including segregation of duties, information barriers and training. Coinbase will notify Client in accordance with the notice provisions hereof of changes to its business that have a material adverse effect on Coinbase's ability to manage its conflicts of interest.

3. Account Statements

Client authorizes Coinbase to combine information regarding all Prime Broker Services activities into a single statement. Coinbase will provide Client with an electronic account statement every month, at a minimum. Each account statement will identify the amount of cash and each Digital Asset in Client’s Prime Broker Account at the end of the period and set forth all Prime Broker Account activity during that period. Client shall have on demand access to its account information on the Coinbase Prime Broker site subject to section 8.1 and availability of the Prime Broker site.

4. Client Instructions

- 4.1. In a written notice to Coinbase, Client may designate persons and/or entities (including auditors or service providers) authorized to act on behalf of Client with respect to the Prime Broker Account (the “Authorized Representative”). Upon such designation, Coinbase may rely on the validity of such appointment until such time as Coinbase receives Instructions (as defined below) from Client revoking such appointment or designating a new Authorized Representative. Coinbase will disable the access of an Authorized Representative as soon as reasonably practicable upon request from Client and in no event greater than one day following the receipt of such request and the execution of any documents reasonably required by Client. Any removal of an Authorized Representative shall occur automatically, without any request for documentation, upon Client removing such person via the portal.
- 4.2. The Coinbase Entities may act upon instructions received from Client or Client’s Authorized Representative (“Instructions”). When taking action upon Instructions, the applicable Coinbase Entity shall act in a reasonable manner, and in conformance with the following: (a) Instructions shall continue in full force and effect until executed, canceled or superseded; (b) if any Coinbase Entity becomes aware of any Instructions that are illegible, unclear or ambiguous, the applicable Coinbase Entity shall promptly notify Client and may refuse to execute such Instructions until any ambiguity or conflict has been resolved to the Coinbase Entity’s satisfaction; (c) the Coinbase Entities may refuse to execute Instructions if in the applicable Coinbase Entity’s reasonable opinion such Instructions are outside the scope of its obligations under this Coinbase Prime Broker Agreement or are contrary to any applicable laws, rules, or regulations, and the applicable Coinbase Entity shall promptly notify Client of such refusal; and (d) the Coinbase Entities may rely on any Instructions, notice or other communication believed by it in good faith and in a commercially reasonable manner to be genuine and to be signed or furnished by the proper party or parties thereto, to be given by Client or Client’s Authorized Representative. Client shall be fully responsible and liable for, and the Coinbase Entities shall have no liability with respect to, any and all Claims and Losses arising out of or relating to inaccurate or ambiguous Instructions except for errors as a result of Coinbase’s negligence, fraud or willful misconduct. Subject to the foregoing and except as otherwise provided for hereunder, Coinbase may not transfer Client Assets absent: (i) Instructions; (ii) a default or an event of default under an agreement with a Coinbase Entity; (iii) a Data Security Event (as defined below); or (iv) in accordance with any applicable laws, rules, regulations, court order or binding order of a government authority. The applicable Coinbase Entity is responsible for losses resulting from its errors in executing a transaction (e.g., if Client provides the correct destination address for executing a withdrawal transaction, but Coinbase Entity erroneously sends Client’s Digital Assets to another destination address) subject to the standard of care agreed in Section 20.
- 4.3. Coinbase shall comply with the Client’s Instructions to stake, stack or vote the Client’s Digital Assets to the extent the applicable Coinbase Entity supports proof of stake validation, proof of transfer validation, or voting for such Digital Assets. The Coinbase Entities may, in their sole discretion, decide whether or not to support (or cease supporting) staking services or stacking or voting for a Digital Asset.

5. Representations, Warranties, and Additional Covenants

Client represents, warrants, and covenants that:

- 5.1. Client has the full power, authority, and capacity to enter into this Coinbase Prime Broker Agreement and to engage in transactions with respect to all Digital Assets relating to the Prime Broker Services;
- 5.2. Neither the Client, nor the Sponsor nor to the Client’s knowledge, any of the Client’s beneficial owners are the target of applicable economic, trade and financial sanctions laws, resolutions, executive orders, and regulations enabled by the United States (including those administered by the U.S. Office of Foreign Assets Controls), the United Kingdom, the European Union, the United Nations and other applicable jurisdictions

(collectively, “Sanctions Laws”). Client has implemented policies, procedures and controls designed to comply with said Sanctions Laws.

- 5.3. To the best of Client’s knowledge, Client is and shall remain in full compliance with all applicable laws, rules, and regulations in each jurisdiction in which Client operates or otherwise uses the Prime Broker Services, including U.S. securities laws and regulations, as well as any applicable state and federal laws, including AML Laws, USA PATRIOT Act and Bank Secrecy Act requirements, and other anti-terrorism statutes, regulations, and conventions of the United States or other international jurisdictions to the extent relevant and material to its performance hereunder;
- 5.4. To the best of Client’s knowledge, Client is and shall remain in good standing with all relevant government agencies, departments, regulatory, and supervisory bodies in all relevant jurisdictions in which Client does business, and Client will promptly notify Coinbase if Client ceases to be in good standing with any regulatory authority;
- 5.5. Client shall promptly provide information as the Coinbase Entities may reasonably request from time to time regarding: (a) Client’s policies, procedures, and activities which relate to the Prime Broker Services; and (b) Client’s use of the Prime Broker Services, in each case to the extent reasonably necessary for the Coinbase Entities to comply with any applicable laws, rules, and regulations (including money laundering statutes, regulations and conventions of the United States or other jurisdictions), or the guidance or direction of, or request from, any regulatory authority or financial institution, in each case related to its performance hereunder, provided that such information may be redacted to remove Confidential Information not relevant to the requirements of this Prime Broker Agreement;
- 5.6. Client’s use of the Prime Broker Services shall be for commercial, business purposes only, limited to activities disclosed in the due diligence information submitted to Coinbase, and shall not include any personal, family or household purposes. Client shall promptly notify Coinbase in writing in the event it intends to use the Prime Broker Services in connection with any business activities not previously disclosed to Coinbase. Coinbase may, in its sole discretion acting in good faith, prohibit Client from using the Prime Broker Services in connection with any business activities not previously disclosed;
- 5.7. Client’s Authorized Representatives have the: (a) full power, authority and capacity to access and use the Prime Broker Services; and (b) appropriate sophistication, expertise, and knowledge necessary to understand the nature and risks, and make informed decisions, in respect of Digital Assets and the Prime Broker Services;
- 5.8. This Coinbase Prime Broker Agreement is Client’s legal, valid, and binding obligation, enforceable against it in accordance with its terms and the person executing or otherwise accepting this Coinbase Prime Broker Agreement; and Client has full legal capacity and authorization to do so;
- 5.9. In connection with this Coinbase Prime Brokerage Agreement, Client will not use, access or attempt to access or use any trading services provided by the Coinbase Entities including accessing or using any Market Data (as defined below);
- 5.10. Client will not deposit to a Prime Broker Account any Digital Asset that is not supported by the Prime Broker Services;
- 5.11. Subject to Section 8.3 and Section 11, Client will not make any public statement, including any press release, media release, or blog post which mentions or refers to a Coinbase Entity or a partnership between Client and a Coinbase Entity, without the prior written consent of the Coinbase Entity;
- 5.12. All information provided by Client to Coinbase in the course of negotiating this Coinbase Prime Broker Agreement, and the onboarding of Client as Coinbase customer and user of the Prime Broker Services is complete, true, and accurate in all material respects, and no material information has been excluded;
- 5.13. Client is not a resident in nor organized under the laws of any country with which transactions or dealings are prohibited by governmental sanctions imposed by the U.S., the United Nations, the European Union,

the United Kingdom, or any other applicable jurisdiction (collectively, “Sanctions Regimes”), nor is it owned or controlled by a person, entity or government prohibited under an applicable Sanctions Regime;

- 5.14. Sponsor has implemented an AML and sanctions program that is reasonably designed to comply with applicable AML, anti-terrorist, anti-bribery/corruption, and Sanctions Regime laws and regulations, including, but not limited to, the Bank Secrecy Act, as amended by the USA PATRIOT Act (collectively, “AML and Sanctions Laws and Regulations”). Said program includes: (a) a customer due diligence program designed to identify and verify the identities of Client’s customers; (b) enhanced due diligence on high-risk customers, including but not limited to customers designated as politically exposed persons or residing in high-risk jurisdictions; (c) processes to conduct ongoing monitoring of customer transactional activity and report any activity deemed to be suspicious; (d) ongoing customer sanctions screening against applicable Sanctions Regimes lists; and (e) processes to maintain records related to the above controls as required by law;
- 5.15. To its knowledge, Client does not maintain any asset in an Account which is derived from any unlawful activity and it will not knowingly instruct or otherwise cause Coinbase to hold any assets or engage in any transaction that would cause Coinbase to violate applicable laws and regulations, including applicable AML and Sanctions Laws and Regulations; and
- 5.16. Although investors in Client may include plans subject to the Employment Retirement Income Security Act of 1974, as amended (“ERISA”), Section 4975 of the Internal Revenue Code of 1986, as amended (the “Code”), or a federal, state, local or non-U.S. law that is similar to such laws (“Similar Law”), unless Client advises Coinbase to the contrary in writing, at all times, none of Client’s assets constitute, directly or indirectly, as determined under Department of Labor Regulation Section 2510.3-101, as modified by Section 3(42) of ERISA, “plan assets” subject to the fiduciary responsibility and prohibited transaction sections of ERISA or the prohibited transaction provisions of the Code, and no Similar Law applies to the operations of Client as a result of the investment in Client by plans subject to Similar Law and Client shall immediately provide Coinbase with a written notice in the event that Client becomes aware that Client is in breach of the foregoing. Moreover, securities issued by Client are registered under section 12(g) of the Securities Exchange Act of 1934 and such securities otherwise meet the definition of “publicly offered securities” under Department of Labor Regulation Section 2510.3-101(b)(2) and therefore, de facto, the assets of Client do not constitute “plan assets” as defined in such regulation.

Coinbase, on behalf of itself and each other Coinbase Entity, represents, warrants, and covenants that:

- 5.17. It has the full power, authority, and capacity to enter into and be bound by this Coinbase Prime Broker Agreement;
- 5.18. It possesses and will maintain, all licenses, registrations, authorizations and approvals required by any applicable government agency, regulatory authority, or self-regulatory authority for it to operate its business and provide the Prime Broker Services;
- 5.19. Coinbase is and shall operate in compliance in all material respects with all applicable laws, rules, and regulations in each jurisdiction in which Coinbase operates, including U.S. securities laws and regulations, as well as any applicable state and federal laws, including AML Laws, USA Patriot Act and Bank Secrecy Act requirements, and other anti-terrorism statutes, regulations, and conventions of the United States or other international jurisdiction;
- 5.20. To the best of Coinbase’s knowledge, it is currently in good standing with all relevant government agencies, departments, regulatory, and supervisory bodies in all relevant jurisdictions in which it does business, including, as applicable, the Financial Industry Regulatory Authority, the Municipal Securities Rulemaking Board, the Securities Investor Protection Corporation, the National Futures Association, the Commodity Futures Trading Commission, the Securities and Exchange Commission, Federal Deposit Insurance Corporation, and the New York State Department of Financial Services to the extent relevant and material to its performance hereunder, and it will, to the extent permitted under applicable law and by such relevant government agency, department, regulatory and supervisory body, and in compliance with its policies and

procedures addressing material non-public information, promptly notify Client if it ceases to be in good standing with any regulatory authority to the extent such cessation would materially impact either party's performance hereunder;

- 5.21. Coinbase possess, and will maintain, all consents, permits, licenses, registrations, authorizations, approvals and exemptions required by any governmental agency, regulatory authority or other party necessary for it to operate its business and engage in the business relating to its provision of the Prime Broker Services;
- 5.22. Coinbase shall promptly provide information as the Client may reasonably request in writing from time to time in connection with its provision of the Prime Broker Services, to the extent reasonably necessary for the Client to comply with any applicable laws, rules, and regulations (including money laundering statutes, regulations and conventions of the United States or other jurisdictions), or the guidance or direction of, or request from, any regulatory authority or financial institution, in each case related to its performance hereunder and to the extent that providing such information is not prohibited by applicable law or any internal policies and procedures in furtherance of applicable law or addressing material non-public information, and does not constitute material nonpublic information;
- 5.23. It has all rights necessary to provide Client with access to the Coinbase Prime Broker Site and Content, Coinbase Prime, Coinbase Prime API, Market Data and any other tech/data provided by Coinbase (the "Coinbase Tech") as contemplated herein; (b) the intended use by Client of the Coinbase Tech as described in and in accordance with this Coinbase Prime Broker Agreement shall not infringe, violate or misappropriate the intellectual property rights of any third party;
- 5.24. This Coinbase Prime Broker Agreement is its legal, valid, and binding obligation, enforceable against it in accordance with its terms and the person executing or otherwise accepting this Coinbase Prime Broker Agreement has full legal capacity and authorization to do so;
- 5.25. Each Coinbase Entity has adopted, implemented, and shall maintain and follow a reasonable risk- based program ("Sanctions Program") that is designed to comply with all applicable Sanctions Laws. That Sanctions Program includes reasonable steps designed to prevent Digital Assets, Orders or transactions from being directly derived from or knowingly associated with persons, entities or countries that are the target or subject of sanctions or any country embargoes, in violation of any Sanctions Laws;
- 5.26. Each Coinbase Entity has also adopted, implemented, and shall maintain and follow an anti-money laundering program ("AML Program") that is designed to comply with all applicable AML Laws. As part of its AML Program, each Coinbase entity performs both initial and ongoing due diligence on each of its customers, as well as ongoing transaction monitoring that is designed to identify and report suspicious activity conducted through customer accounts, as required by law. The above AML controls are applied to all customer accounts, including those opened by: (a) authorized participants of the Client; or (b) agents/partners of such authorized participants (collectively as "Authorized Participant Accounts") for the purpose of facilitating ethereum deposits to, and withdrawals from, the Client's Custody or Settlement Account;
- 5.27. Any external fund movement into an Authorized Participants Account(s) at Coinbase will be subject to a sanctions screening check performed by Coinbase, prior to any transfer to the Client's Settlement Account(s), to ensure that any Ethereum in-kind transactions did not, directly originate from persons, entities or countries that are the target or subject of sanctions or any country embargoes, or knowingly associated with such persons, entities or countries, or otherwise in violation of any Sanctions Laws, in violation of any Sanctions Laws. Similarly, external transaction flows into and out of the Client's Custody Account(s) will be subject to periodic sanctions screening for the same purposes;
- 5.28. In the event sanctions screening results, described above are determined to be in violation of any Sanctions Laws, each Coinbase Entity will: (a) block or reject such Ethereum, where required by applicable Sanctions Laws; and (b) agree to promptly inform the Client, so long as permitted by law;
- 5.29. Each Coinbase Entity also agrees to provide Client with: (i) a quarterly report on the sanctions screening results outlined in section 5.24 after the end of the calendar quarter; and (ii) to the extent permitted by law,

such information as it may reasonably request, to enable Client to fulfill its obligations under Sanctions Laws and AML Laws, including an annual attestation regarding Coinbase's AML and Sanctions Law controls. Client is permitted to share this report with service providers of the Client and authorized participants;

- 5.30. Coinbase Entities will maintain control of the Client's Ethereum in a manner consistent with industry leading standards; and
- 5.31. Subject to Section 8.3, Coinbase Entities will not make any public statement, including any press release, media release, or blog post which mentions or refers to the Client or a partnership between Coinbase Entities and the Client, without the prior written consent of the Client. Notwithstanding anything herein to the contrary, Coinbase Entities may disclose the existence of this Prime Broker Agreement to its investors and prospective investors. Additionally, notwithstanding anything herein to the contrary, the Client permits the Coinbase Entities to reference the Client (including a description of the Client and/or business, as obtained from publicly available information on Client's website or filings with the Securities and Exchange Commission) as a Client hereunder along with the existence and terms of this Coinbase Prime Broker Agreement, in its public disclosures contained in public filings, each as may be required under applicable law. In addition, Coinbase Entities may file the Coinbase Prime Broker Agreement as an exhibit in public filings with the Securities and Exchange Commission, as may be required under applicable law, provided that such information may be redacted to remove pricing and other proprietary information in the Coinbase Prime Broker Agreement as permitted under applicable law.

6. No Investment Advice or Brokerage

- 6.1. Client assumes responsibility for each transaction in or for its Prime Broker Account. Client understands and agrees that none of the Coinbase Entities are a SEC/FINRA registered broker-dealer or investment adviser to Client in any respect, and the Coinbase Entities have no liability, obligation, or responsibility whatsoever for Client decisions relating to the Prime Broker Services. Client should consult its own legal, tax, investment and accounting professionals.
- 6.2. While the Coinbase Entities may make certain general information available to Client, the Coinbase Entities are not providing and will not provide Client with any investment, legal, tax or accounting advice regarding Client's specific situation. Client is solely responsible, and shall not rely on the Coinbase Entities, for determining whether any investment, investment strategy, or transaction involving Digital Assets is appropriate for Client based on Client's investment objectives, financial circumstances, risk tolerance, and tax consequences. The Coinbase Entities shall have no liability, obligation, or responsibility whatsoever regarding any Client decision to enter into in any transaction with respect to any Digital Asset.

7. Opt-In to Article 8 of the Uniform Commercial Code

Client Assets in the Settlement Balance and Vault Balance (as defined hereinafter) will be treated as "financial assets" under Article 8 of the New York Uniform Commercial Code ("Article 8"). Coinbase and Coinbase Custody are "securities intermediaries," the Settlement Balance and Vault Balance are each "securities accounts," and Client is an "entitlement holder" under Article 8. This Agreement sets forth how the Coinbase Entities will satisfy their Article 8 duties. Treating Client Assets in the Settlement Balance and Vault Balance as financial assets under Article 8 does not determine the characterization or treatment of the cash and Digital Assets under any other law or rule. New York will be the securities intermediary's jurisdiction with respect to Coinbase and Coinbase Custody, and New York law will govern all issues addressed in Article 2(1) of the Hague Securities Convention. Coinbase and Coinbase Custody will credit the Client with any payments or distributions on any Client Assets it holds for Client's Settlement Balance and Vault Balance. Coinbase and Coinbase Custody will comply with Client's Instructions with respect to Client Assets in Client's Settlement Balance or Vault Balance, subject to the terms of the STA or Custody Agreement, as applicable, and related Coinbase rules. Neither Coinbase nor Coinbase Custody may grant a security interest in the Digital Assets in either the Settlement Balance or Vault Balance, respectively. Digital Assets in Client's Custodial Account are custodial assets. Under Article 8, the Digital Assets in either the Settlement Balance or Vault Balance are not general assets of Coinbase or Coinbase Custody, respectively and

are not available to satisfy claims of creditors of Coinbase or Coinbase Custody, respectively. Coinbase and Coinbase Custody will comply at all times with the duties of a securities intermediary under Article 8, including those set forth at sections 8-504(a), 8-505(a), 8-506(a), 8-507 and 8-508, in accordance with the terms of this Coinbase Prime Broker Agreement.

8. General Use, Security and Prohibited Use

- 8.1. *Prime Broker Site and Content.* During the term of this Coinbase Prime Broker Agreement, the Coinbase Entities hereby grant Client a limited, nonexclusive, non-transferable, non-sublicensable, revocable and royalty-free license, subject to the terms of this Coinbase Prime Broker Agreement, to access and use the Coinbase Prime Broker Site accessible at prime.coinbase.com (“Coinbase Prime Broker Site”) and related content, materials, and information (collectively, the “Content”) solely for Client’s internal business use and other purposes as permitted by Coinbase in writing from time to time. Any other use of the Coinbase Prime Broker Site or Content is hereby prohibited. All other right, title, and interest (including all copyright, trademark, patent, trade secrets, and all other intellectual property rights) in the Coinbase Prime Broker Site, Content, and Prime Broker Services is and will remain the exclusive property of the Coinbase Entities and their licensors. Except as expressly permitted herein, Client shall not copy, transmit, distribute, sell, license, reverse engineer, modify, publish, or participate in the transfer or sale of, create derivative works from, or in any other way exploit any of the Prime Broker Services or Content, in whole or in part. “Coinbase,” “Coinbase Prime,” “prime.coinbase.com,” and all logos related to the Prime Broker Services or displayed on the Coinbase Prime Broker Site are either trademarks or registered marks of the Coinbase Entities or their licensors. Client may not copy, imitate or use them without Coinbase’s prior written consent. The license granted under this Section 8.1 will automatically terminate upon termination of this Coinbase Prime Broker Agreement, or the suspension or termination of Client’s access to the Coinbase Prime Broker Site or Prime Broker Services.
- 8.2. *Website Accuracy.* Although Coinbase intends to provide accurate and timely information on the Coinbase Prime Broker Site, the Coinbase Prime Broker Site (including, without limitation, the Content) may not always be entirely accurate, complete, or current and may also include technical inaccuracies or typographical errors. In an effort to continue to provide Client with as complete and accurate information as possible, information may be changed or updated from time to time without notice, including without limitation information regarding Coinbase Entities policies, products and services. Accordingly, Client should verify all information before relying on it, and all decisions based on information contained on the Coinbase Prime Broker Site are Client’s sole responsibility and the Coinbase Entities shall have no liability for such decisions. Links to third-party materials (including without limitation websites) may be provided as a convenience but are not controlled by the Coinbase Entities. The Coinbase Entities is not responsible for any aspect of the information, content, or services contained in any third-party materials or on any third-party sites accessible from or linked to the Coinbase Prime Broker Site.
- 8.3. *Limited License of Coinbase Brand.* Notwithstanding Section 5 of this Coinbase Prime Broker Agreement, Coinbase hereby grants to Client a nonexclusive, non-transferable, non-sublicensable, revocable, and royalty-free right, subject to the terms of this Coinbase Prime Broker Agreement, to display, in accordance with Coinbase’s brand guidelines, Coinbase’s trademark and logo as set forth in the Coinbase Trademark Usage Guidelines, or otherwise refer to its name (the “Coinbase Brand”), for the sole and limited purpose of identifying Coinbase as a provider of Prime Broker Services to Client on Client’s website or to investors or the public, as required by its investment activities. Client may also use the Coinbase Brand in published form, including but not limited to investor or related marketing materials using only the content pre-approved by Coinbase (“Pre-Approved Marketing Content”). Client (1) shall not deviate from nor modify the Pre-Approved Marketing Content, and (2) shall not make any representations or warranties regarding the Prime Services provided by Coinbase (other than factually accurate statements that Coinbase is a provider of Prime Broker Services). Client acknowledges that it shall not acquire any right of ownership to any Coinbase copyrights, patents, trade secrets, trademarks, trade dresses, service marks, or other intellectual property rights, and further agrees that it will cease using any materials that bear the Coinbase Brand upon termination of this Coinbase Prime Broker Agreement. All uses of the Coinbase Brand

hereunder shall inure to the benefit of Coinbase and Client shall not do or cause to be done any act or thing that may in any way adversely affect any rights of Coinbase in and to the Coinbase Brand or otherwise challenge the validity of the Coinbase Brand or any application for registration thereof, or any trademark registration thereof, or any rights therein. Notwithstanding the foregoing, Coinbase shall retain the right to request that Client modify or terminate its use of the Coinbase Brand if Coinbase, in its sole and absolute discretion, disapproves of Client's use of the Coinbase Brand.

- 8.4. *Unauthorized Users.* Client shall not knowingly permit any person or entity that is not the Client or an Authorized Representative (each, an "Unauthorized User") to access, connect to, and/or use Client's Prime Broker Account. The Coinbase Entities shall have no liability, obligation, or responsibility whatsoever for, and Client shall be fully responsible and liable for, any and all Claims and Losses arising out of or relating to the acts and omissions of any Unauthorized User, except to the extent caused by any Coinbase Entity's negligence, fraud or willful misconduct, in respect of the Prime Broker Services, Prime Broker Account, and/or the Prime Broker Site. Client shall notify Coinbase promptly if Client believes or becomes aware that an Unauthorized User has accessed, connected to, or used Client's Prime Broker Account.
- 8.5. *Password Security; Contact Information.* Client is fully responsible for maintaining adequate security and control of any and all IDs, passwords, hints, personal identification numbers (PINs), API keys, YubiKeys, other security or confirmation information or hardware, and any other codes that Client uses to access the Prime Broker Account and Prime Broker Services. Client agrees to keep Client's email address and telephone number up to date in Client's Prime Broker Account in order to receive any notices or alerts that the Coinbase Entities may send to Client. Client shall be fully responsible for, and the Coinbase Entities shall have no liability, obligation, or responsibility whatsoever for, any Losses that Client may sustain due to compromise of Prime Broker Account login credentials. In the event Client believes Client's Prime Broker Account information has been compromised, Client must promptly contact Coinbase.
- 8.6. *Prohibited Use.* Client shall not engage in any of the following activities with its use of the Prime Broker Services:
- 8.6.1. *Unlawful Activity.* Activity that would violate, or assist in violation of, any law, statute, ordinance, or regulation, sanctions programs administered in the countries where Coinbase conducts business, including but not limited to the U.S. Department of Treasury's Office of Foreign Assets Control (OFAC), or which would involve proceeds of any unlawful activity; publish, distribute or disseminate any unlawful material or information;
- 8.6.2. *Abusive Activity.* Client shall use reasonable efforts not to engage in actions that impose an unreasonable or disproportionately large load on Coinbase's infrastructure, or detrimentally interfere with, intercept, or expropriate any system, data, or information; transmit or upload any material to Coinbase systems that contains viruses, trojan horses, worms, or any other harmful or deleterious programs; attempt to gain unauthorized access to Coinbase systems, other Coinbase accounts, computer systems or networks connected to Coinbase systems, Coinbase Site, through password mining or any other means; use Coinbase Account information of another party to access or use the Coinbase systems, except in the case of specific Clients and/or applications which are specifically authorized by a Client to access such Client's Coinbase Account and information; or transfer Client's account access or rights to Client's account to a third party, unless by operation of law or with the express permission of Coinbase; and
- 8.6.3. *Fraud.* Activity which operates to defraud Coinbase or any other person or entity.
- 8.7. *Computer Viruses.* The Coinbase Entities shall not have any liability, obligation, or responsibility whatsoever for any damage or interruptions caused by any computer viruses, spyware, scareware, Trojan horses, worms or other malware that may affect Client's computer or other equipment, or any phishing, spoofing or other attack, unless such damage or interruption directly resulted from the Coinbase Entities' negligence, fraud, or willful misconduct. Client agrees to access and use its Prime Broker Account through the Coinbase Prime Broker Site to review any Orders, deposits or withdrawals or required actions to confirm the authenticity of any communication or notice from the Coinbase Entities.

9. Taxes

- 9.1. *Taxes.* Except as otherwise expressly stated herein, Client shall be fully responsible and liable for, and the Coinbase Entities shall have no liability, obligation, or responsibility whatsoever for, the payment of any and all present and future tariffs, duties or taxes (including withholding taxes, transfer taxes, stamp taxes, documentary taxes, value added taxes, personal property taxes and all similar costs) imposed or levied by any government or governmental agency (collectively, “Taxes”) and any related Claims and Losses or the accounting or reporting of income or other Taxes arising from or relating to any transactions Client conducts through the Prime Broker Services. Client shall file all tax returns, reports, and disclosures required by applicable law.
- 9.2. *Withholding Tax.* Except as required by applicable law, each payment under this Coinbase Prime Broker Agreement or collateral deliverable by Client to any Coinbase Entities shall be made, and the value of any collateral or margin shall be calculated, without withholding or deducting of any Taxes. If any Taxes are required to be withheld or deducted, Client: (a) authorizes the Coinbase Entities to effect such withholding or deduction and remit such Taxes to the relevant taxing authorities; and (b) shall pay such additional amounts or deliver such further collateral as necessary to ensure that the actual net amount received by the Coinbase Entities is equal to the amount that the Coinbase Entities would have received had no such withholding or deduction been required. Client agrees that the Coinbase Entities may disclose any information with respect to Client Assets, the Prime Broker Account, Custodial Accounts, Settlement Accounts, and transactions required by any applicable taxing authority or other governmental entity. The Client agrees that the Coinbase Entities may withhold or deduct Taxes as may be required by applicable law. From time to time, Coinbase Entities shall ask Client for tax documentation or certification of Client’s taxpayer status as required by applicable law, and any failure by Client to comply with this request in the time frame identified may result in withholding and/or remission of taxes to a tax authority as required by applicable law.

10. Prime Broker Services Fees

- 10.1. Sponsor agrees to pay all fees in connection with the Client’s Orders and Client’s use of the Prime Broker Services on a timely basis as set forth in the Fee Schedule, attached hereto as Appendix 1. If such fees remain unpaid for sixty (60) days following the payment date, Client authorizes Coinbase to deduct any such unpaid amounts from the Sponsor’s Prime Broker Accounts.
- 10.2. Client acknowledges that Coinbase Custody will charge fees for any balance of Digital Assets that Client keeps in the Vault Balance.

11. Confidentiality

- 11.1. Client and Coinbase Entities each agree that with respect to any non-public, confidential or proprietary information of the other Party, including the existence and terms of this Coinbase Prime Broker Agreement and information relating to the other Party’s business operations or business relationships (including without limitation information concerning any purchaser of any securities issued by the Client (each a “Beneficiary”) (including, without limitation, the identity of such Beneficiary, the fact that such Beneficiary is the beneficial owner of any Digital Assets, any information concerning its securities or cash positions, any banking or other relationships between Coinbase Entities and such Beneficiary or any information from which any such information could be derived by a third party) the Coinbase Entities’ fees), the contents of any document any information relating to, or transactions involving, Digital Assets, trade secrets or other confidential commercial information), and information with respect to profit margins, and profit and loss information), and any arbitration pursuant to Section 22 (collectively, “Confidential Information”), it: (a) will not disclose such Confidential Information except to such Party’s officers, directors, agents, employees and professional advisors who need to know the Confidential Information for the purpose of assisting in the performance of this Coinbase Prime Broker Agreement and who are informed

of, and agree to be bound by obligations of confidentiality no less restrictive than those set forth herein; and (b) will protect such Confidential Information from unauthorized use and disclosure. Each Party shall use any Confidential Information that it receives solely for purposes of: (i) exercising its rights and performing its duties under the Coinbase Prime Broker Agreement; and (ii) complying with any applicable laws, rules, or regulations; provided that, the Coinbase Entities may use Confidential Information for (1) risk management; and (2) to develop or enhance their products and services provided the Confidential Information is properly anonymized and in an aggregated form that does not identify Client and is stripped of any persistent identifiers (such as device identifiers, IP addresses, and cookie IDs) in relation to subsection (2). Confidential Information shall not include any (w) information that is or becomes generally publicly available through no fault of the recipient; (x) information that the recipient obtains from a third party (other than in connection with this Coinbase Prime Broker Agreement) that, to the recipient's best knowledge, is not bound by a confidentiality agreement prohibiting such disclosure; (y) information that is independently developed or acquired by the recipient without the use of Confidential Information provided by the disclosing party; or (z) disclosure with the prior written consent of the disclosing Party. The Parties acknowledge that the terms of this Coinbase Prime Broker Agreement are Confidential Information.

11.2. Notwithstanding the foregoing, each Party may disclose Confidential Information of the other Party to the extent required by a court of competent jurisdiction or governmental authority or otherwise required by law rule or regulation or regulatory agency including but not limited to self-regulatory agencies; provided, however, the Party making such required disclosure shall first notify the other Party (to the extent legally permissible) and shall afford the other Party a reasonable opportunity to seek confidential treatment if it wishes to do so and will consider in good faith reasonable and timely requests for redaction. For purposes of this Section 11, no affiliate of Coinbase with the exception of Coinbase Asset Management, shall be considered a third party of any Coinbase Entity, and the Coinbase Entities may freely share Client's Confidential Information among each other and with such affiliates. All documents and other tangible objects containing or representing Confidential Information and all copies or extracts thereof or notes derived therefrom that are in the possession or control of the receiving Party shall be and remain the property of the disclosing Party and shall be promptly returned to the disclosing Party or destroyed, each upon the disclosing Party's request; provided, however, notwithstanding the foregoing, the receiving Party may retain Confidential Information if: (a) required by law or regulation; or (b) retained pursuant to an established document retention policy

11.3. Notwithstanding anything contained in this Section 11 or otherwise in this Coinbase Prime Broker Agreement to the contrary, the Parties agree that the Client may: (i) file the Coinbase Prime Broker Agreement as an exhibit in public filings with the Securities and Exchange Commission, as may be required under applicable law, provided that such information shall be redacted to remove pricing and other proprietary information in the Coinbase Prime Broker Agreement as permitted under applicable law; and (ii) disclose the existence of this Coinbase Prime Brokerage Agreement to its investors and potential investors.

12. Market Data

Client agrees that its use of data made available to it through the application programming interface(s) of the Prime Platform (as defined in the STA), which may include the prices and quantities of orders and transactions executed on the Prime Platform (collectively "Market Data"), is subject to the Market Data Terms of Use, as amended and updated from time to time at https://www.coinbase.com/legal/market_data or a successor website.

13. Recording of Conversations

For compliance and monitoring purposes, Client authorizes each Coinbase Entity at its sole discretion to record conversations between such Coinbase Entity and Client or its Authorized Representatives relating to this Coinbase Prime Broker Agreement, the Prime Broker Account and the Prime Broker Services.

14. Security and Business Continuity

The Coinbase Entities have implemented and will maintain a reasonable information security program (as summarized in the Security Addendum attached hereto) that includes policies and procedures that are reasonably designed to safeguard Coinbase Entities' electronic systems and Client's Confidential Information from, among other things, unauthorized access or misuse. In the event of a Data Security Event (defined below), the applicable Coinbase Entity shall promptly (subject to any legal or regulatory requirements) notify Client in writing at the email addresses listed in Section 33 and such notice shall include the following information: (i) the timing and nature of the Data Security Event, (ii) the information related to Client that was compromised, including the names of any individuals' acting on Client's behalf in his or her corporate capacity whose personal information was compromised, (iii) when the Data Security Event was discovered, and (iv) remedial actions that have been taken and that the applicable Coinbase Entity plans to take. **"Data Security Event"** is defined as any event whereby: (a) an unauthorized person (whether within Coinbase or a third party) acquired or accessed Client's information; (b) Client's information is otherwise lost, stolen or compromised.

The Trust Company will respond to any periodic request from Client regarding the identity of the Trust Company's then employed Chief Information Security Officer, or other senior security officer of a similar title; such requests may be made by Client monthly.

For the year 2023, and for each year thereafter, no more than once per calendar year, Client shall be entitled to request that Coinbase provide a copy of its most recent Services Organization Controls ("SOC") 1 report and SOC 2 report, (together, the "SOC Reports"), and promptly deliver to Client a copy thereof by December 31 of each year. The SOC 1 and SOC 2 reports shall not be dated more than one year prior to such request. Coinbase reserves the right to combine the SOC 1 and SOC 2 reports into a comprehensive report. In the event that Coinbase does not deliver a SOC 1 Report or SOC 2 Report, as applicable, Client shall be entitled to terminate this Coinbase Prime Broker Agreement. Client may also request letters of representation regarding any known changes or conclusions to the SOC Reports on a quarterly basis between SOC reports ("SOC Bridge Letters").

The Coinbase Entities have established a business continuity plan that will support their ability to conduct business in the event of a significant business disruption. The business continuity plan is reviewed and updated annually, and may be updated more frequently as deemed necessary by the Coinbase Entities in their sole discretion. To receive more information about the Coinbase Entities' business continuity plan, please send a written request to [***].

15. Acknowledgement of Risks

Client hereby acknowledges, that: (i) Digital Assets are not legal tender, are not backed by any government, and are not subject to protections afforded by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation; (ii) Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and/or value of Digital Assets; (iii) transactions in Digital Assets are irreversible, and, accordingly, Digital Assets lost due to fraudulent or accidental transactions may not be recoverable; (iv) certain Digital Assets transactions will be deemed to be made when recorded on a public blockchain ledger, which is not necessarily the date or time that Client initiates the transaction or such transaction enters the pool; (v) the value of Digital Assets may be derived from the continued willingness of market participants to exchange any government issued currency ("Fiat Currency") for Digital Assets, which may result in the permanent and total loss of value of a Digital Asset should the market for that Digital Asset disappear; (vi) the volatility of the value of Digital Assets relative to Fiat Currency may result in significant losses; (vii) Digital Assets may be susceptible to an increased risk of fraud or cyber-attack; (viii) the nature of Digital Assets means that any technological difficulties experienced by a Coinbase Entity may prevent the access or use of Client Digital Assets; and (ix) any bond or trust account maintained by Coinbase Entities for the benefit of its customers may not be sufficient to cover all losses (including Losses) incurred by customers.

16. Operation of Digital Asset Protocols

- 16.1. The Coinbase Entities do not own or control the underlying software protocols which govern the operation of Digital Assets. Generally, the underlying software protocols and, if applicable, related smart contracts (referred to collectively as “Protocols” for purposes of this Section 16) are open source and anyone can use, copy, modify or distribute them. By using the Prime Broker Services, Client acknowledges and agrees that: (i) the Coinbase Entities make no guarantee of the functionality, security, or availability of underlying Protocols; (ii) some underlying Protocols are subject to consensus-based proof of stake validation methods which may allow, by virtue of their governance systems, changes to the associated blockchain or digital ledger (“Governance Modifiable Blockchains”), and that any Client transactions validated on such Governance Modifiable Blockchains may be affected accordingly; and (iii) the underlying Protocols are subject to sudden changes in operating rules (a/k/a “forks”), and that such forks may materially affect the value, function, and/or even the name of the Digital Assets. In the event of a fork, Client agrees that the Coinbase Entities may temporarily suspend Prime Broker Services (with or without notice to Client) and that the Coinbase Entities may, in their sole discretion, determine whether or not to support (or cease supporting) either branch of the forked protocol entirely. Client agrees that the Coinbase Entities shall have no liability, obligation or responsibility whatsoever arising out of or relating to the operation of Protocols, transactions affected by Governance Modifiable Blockchains, or an unsupported branch of a forked protocol and, accordingly, Client acknowledges and assumes the risk of the same.
- 16.2. Client will abandon irrevocably for no direct or indirect consideration (each such abandonment, a “Prospective Abandonment”), effective immediately prior to any time at which Client creates shares or units (each such time, a “Creation Time”) or redeems shares or units (each such time, a “Redemption Time”), all Incidental Assets of Client, provided that a Prospective Abandonment immediately prior to any Creation Time or Redemption Time will not apply to any Incidental Asset if (i) Client has taken an Affirmative Action to acquire or abandon such Incidental Asset at any time prior to such Creation Time or Redemption Time or (ii) such Incidental Asset has been subject to a previous Prospective Abandonment. Coinbase acknowledges that, as a consequence of a Prospective Abandonment, Client will have no right to receive any Incidental Asset that is subject to such Prospective Abandonment, and Coinbase will have no authority, pursuant to this Coinbase Prime Broker Agreement or otherwise, to exercise, obtain or hold, as the case may be, any such Incidental Asset on behalf of Client, nor may Coinbase ultimately take control of such Incidental Asset for its own economic benefit. Client represents that it will take no action at any time that is inconsistent with a Prospective Abandonment and, without limiting the generality of the foregoing, that it will not accept any future delivery of any abandoned Incidental Asset, that it will not accept any payment from any person in respect of any abandoned Incidental Asset and that it will not represent to any person or in any context that it has any remaining rights with respect to any abandoned Incidental Asset.

“**Affirmative Action**” is defined as the Sponsor’s written notification to Coinbase of Client’s intention (i) to acquire and/or retain an Incidental Asset or (ii) to abandon, with effect prior to the relevant Creation Time or **Redemption Time**, an Incidental Asset.

“**Incidental Asset**” is defined as any digital asset or other asset, and any right of Client to acquire any digital asset or other asset, that has arisen out of Client’s ownership of Digital Assets, whether through a fork, airdrop or similar occurrence, without any action on the part of Client or its trustee or the Sponsor on its behalf.

- 16.3. Unless specifically communicated by the Coinbase Entities through a written public statement on the Coinbase website, the Coinbase Entities do not support airdrops, metacoins, colored coins, side chains, or other derivative, enhanced or forked protocols, tokens or coins, which supplement or interact with a Digital Asset (collectively, “Advanced Protocols”) in connection with the Prime Broker Services. Client shall not use its Prime Broker Account to attempt to receive, request, send, store, or engage in any other type of transaction involving an Advanced Protocol. The Prime Broker Services are not configured to detect, process and/or secure Advanced Protocol transactions and neither Client nor the Coinbase Entities will be

able to retrieve any unsupported Advanced Protocol. Coinbase shall have no liability, obligation, or responsibility whatsoever in respect to Advanced Protocols.

17. Setoff

Upon the occurrence of a default or an event of default under an agreement with a Coinbase Entity (including an “Event of Default” as such term is defined in the Post Trade Financing Agreement, if applicable (in each case, at maturity, upon acceleration or otherwise) or the occurrence of an event that constitutes “Cause” (as defined below) (each, a “Setoff Event”), each Coinbase Entity may setoff and net the amounts due from it or any other Coinbase Entity to Client and from Client to it or any other Coinbase Entity, so that a single payment (the “Net Payment”) shall be immediately due and payable by the Sponsor on behalf of the Client or the Coinbase Entity to the other (subject to the other provisions hereof and of any agreement with a Coinbase Entity). If any amounts cannot be included within the Net Payment, such amounts shall be excluded but may still be netted against any other similarly excluded amounts. Upon the occurrence of a Setoff Event, each Coinbase Entity may also: (a) liquidate, apply and setoff any or all Sponsor Assets (as such term is defined in the STA) against any Net Payment, unpaid trade credits, or any other obligation owed by Client to any Coinbase Entity; and (b) setoff and net any Net Payment or any other obligation owed to the Client by any Coinbase Entity against: (i) any or all collateral or margin posted by any Coinbase Entity to Client (or the U.S. dollar value thereof, determined by Coinbase in its sole discretion on the basis of a recent price at which the relevant Digital Asset was sold to customers on the Prime Platform); and (ii) any Net Payment, unpaid trade credits or any other obligation owed by Client to any Coinbase Entity (in each case, whether matured or unmatured, fixed or contingent, or liquidated or unliquidated). Client agrees that in the exercise of setoff rights or secured party remedies, the Coinbase Entities may value Client Digital Assets using the same valuation methods and processes that are otherwise used when a Coinbase customer sells an asset on the Prime Platform or the applicable index or reference rate provided by Coindesk Indices, Inc. as determined by Coinbase in its sole discretion.

18. Disclaimer of Warranties

EXCEPT AS EXPRESSLY SET FORTH HEREIN TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE PRIME BROKER SERVICES AND THE COINBASE WEBSITE ARE PROVIDED ON AN “AS IS” AND “AS AVAILABLE” BASIS WITHOUT ANY WARRANTY OF ANY KIND, AND THE COINBASE ENTITIES HEREBY SPECIFICALLY DISCLAIM ALL WARRANTIES NOT SPECIFICALLY SET FORTH HEREIN WITH RESPECT TO THE PRIME BROKER SERVICES, WHETHER EXPRESS, IMPLIED OR STATUTORY, INCLUDING THE IMPLIED WARRANTIES AND/OR CONDITIONS OF TITLE, MERCHANTABILITY, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE, AND/OR NON-INFRINGEMENT. EXCEPT AS EXPRESSLY SET FORTH HEREIN THE COINBASE ENTITIES DO NOT WARRANT THAT THE PRIME BROKER SERVICES, INCLUDING ACCESS TO AND USE OF THE COINBASE WEBSITES, OR ANY OF THE CONTENT CONTAINED THEREIN, WILL BE CONTINUOUS, UNINTERRUPTED, TIMELY, COMPATIBLE WITH ANY SOFTWARE, SYSTEM OR OTHER SERVICES, SECURE, COMPLETE, FREE OF HARMFUL CODE OR ERROR-FREE.

19. Indemnification

19.1. Client shall defend and indemnify and hold harmless each Coinbase Entity, its affiliates, and their respective officers, directors, agents, employees and representatives from and against any and all Claims and Losses arising out of or relating to: (i) Client’s material breach of this Coinbase Prime Broker Agreement; (ii) Client’s violation of any applicable law, rule or regulation, or rights of any third party related to the performance of Client’s obligations under this Prime Broker Agreement; or (iii) Client’s negligence, fraud or willful misconduct, except to the extent that such Claims or Losses relate to Coinbase’s negligence, fraud or willful misconduct. This obligation will survive any termination of this Coinbase Prime Broker Agreement.

19.2. The Coinbase Entities shall defend and indemnify and hold harmless Client, its Affiliates, and their respective officers, directors, agents, employees and representatives from and against any and all third party Claims and Losses to the extent arising out of or relating to any: (i) violation of applicable law, rule, or regulation; (ii) negligence, fraud or willful misconduct with respect to the provision of the Prime Broker

Services; (iii) the full amount of any Client Assets lost due to the insolvency of or security event at any third party Connected Trading Venue, or (iv) violation misappropriation, or infringement upon any third party intellectual and/or industrial property rights, including patent rights, copyrights, moral rights, trademarks, trade names, service marks, trade secrets, rights in inventions (including applications for, and registrations, extensions, renewals, and re-issuances of the foregoing), in each case as it relates to the Claims and Losses arising during the term of the Coinbase Prime Broker Agreement or as it relates to activity during such term except to the extent Claims or Losses arise out of or relate to Client's negligence, fraud, willful misconduct or material breach of this Coinbase Prime Broker Agreement. This obligation will survive any termination of this Coinbase Prime Broker Agreement.

19.3. Each party's indemnification obligation under Section 19 of this Coinbase Prime Broker Agreement shall apply only if the indemnified party does the following: (a) notifies the indemnifying party promptly in writing, not later than thirty (30) days after the indemnified party receives notice of the Claim (or sooner if required by applicable law); (b) gives the indemnifying party sole control of the defense and any settlement negotiations (subject to the below); and (c) gives the indemnifying party the information, authority, and assistance such party needs to defend against or settle the Claim, provided that the Indemnified Party may settle the Claim (after giving prior written notice of the terms of settlement (to the extent legally possible) to the indemnifying party, but without obtaining the indemnifying party's consent) if (a) such settlement is entered into more than 30 days after a request by the indemnified party to the indemnifying party for consent to a proposed settlement or (b) such settlement or compromise or consent does not include a statement as to, or an admission of, fault, culpability, negligence or a failure to act by or on behalf of the indemnifying party or an agent thereof; and (iv) gives the indemnifying party reasonable access at reasonable times (on reasonable prior notice) to the information, authority, and assistance that it needs to defend against or settle the Claim.

19.4. No Party providing indemnification pursuant to this Section 19 shall accept any settlement of any Claims or Losses if such settlement imposes any financial or non-financial liabilities, obligations or restrictions on, or requires an admission of guilt or wrong doing from, any indemnified party pursuant to this Section 19, without such indemnified party's prior written consent.

19.5. For the purposes of this Coinbase Prime Broker Agreement:

(a) "Claim" means any action, suit, litigation, demand, charge, arbitration, proceeding (including any civil, criminal, administrative, investigative, or appellate proceeding), hearing, inquiry, audit, examination or investigation commenced, brought, conducted or heard by or before, or otherwise involving, any court or other governmental, regulatory or administrative body or any arbitrator or arbitration panel; and

(b) "Losses" means any liabilities, damages, diminution in value, payments, obligations, losses, interest, costs and expenses, security or other remediation costs (including any regulatory investigation or third party subpoena costs, reasonable attorneys' fees, court costs, expert witness fees, and other expenses relating to investigating or defending any Claim); fines, taxes, fees, restitution, or penalties imposed by any governmental, regulatory or administrative body, interest on and additions to tax with respect to, or resulting from, Taxes imposed on Client's assets, cash, other property, or any income or gains derived therefrom; and judgments (at law or in equity) or awards of any nature.

20. Limitation of Liability

20.1. Waiver of Consequential Damages

IN NO EVENT SHALL EITHER PARTY, ITS AFFILIATES AND SERVICE PROVIDERS, OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, JOINT VENTURERS, EMPLOYEES OR REPRESENTATIVES, BE LIABLE FOR ANY LOST PROFITS OR ANY SPECIAL, INCIDENTAL, INDIRECT, INTANGIBLE, OR CONSEQUENTIAL DAMAGES, WHETHER BASED IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY, OR OTHERWISE, ARISING OUT OF OR IN CONNECTION WITH AUTHORIZED OR UNAUTHORIZED USE OF THE TRUST COMPANY SITE OR THE TRUST COMPANY CUSTODIAL SERVICES, OR THIS AGREEMENT,

EVEN IF AN AUTHORIZED REPRESENTATIVE OF TRUST COMPANY HAS BEEN ADVISED OF OR KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

20.2. Standard of Care

IN NO EVENT SHALL ANY COINBASE ENTITY, ITS AFFILIATES, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, EMPLOYEES AND REPRESENTATIVES HAVE ANY LIABILITY TO CLIENT OR ANY THIRD PARTY WITH RESPECT TO ANY BREACH OF ITS OBLIGATIONS HEREUNDER, EXPRESS, OR IMPLIED, WHICH DOES NOT RESULT FROM ITS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT.

20.3. No Joint and Several Liability

NOTHING IN THIS COINBASE PRIME BROKER AGREEMENT SHALL BE DEEMED TO CREATE ANY JOINT OR SEVERAL LIABILITY AMONG ANY OF THE COINBASE ENTITIES.

20.4. Replacement of Lost Digital Assets

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, THE COINBASE ENTITIES SHALL BE LIABLE TO CLIENT FOR THE LOSS OF ANY DIGITAL ASSETS ON DEPOSIT WITH THE COINBASE ENTITIES' CUSTODIAL ACCOUNT(S) OR SETTLEMENT BALANCE(S) TO THE EXTENT THAT SUCH LOSS AROSE FROM THE COINBASE ENTITIES' NEGLIGENCE, FRAUD, OR WILLFUL MISCONDUCT, AND THE COINBASE ENTITIES SHALL BE REQUIRED TO RETURN TO CLIENT A QUANTITY OF DIGITAL ASSETS EQUAL TO THE QUANTITY OF ANY SUCH LOST DIGITAL ASSETS.

20.5. Liability Caps

EXCEPT FOR THE: (I) EXCLUDED LIABILITIES; (II) FRAUD; OR (III) WILLFUL MISCONDUCT SOLELY IN RESPECT OF CUSTODIAL SERVICES PROVIDED PURSUANT TO THE CUSTODY AGREEMENT, THE LIABILITY OF COINBASE CUSTODY SHALL NOT EXCEED THE GREATER OF: (I) THE AGGREGATE AMOUNT OF FEES PAID BY CLIENT TO COINBASE CUSTODY IN RESPECT OF THE CUSTODIAL SERVICES IN THE 12-MONTH PERIOD PRIOR TO THE EVENT GIVING RISE TO SUCH LIABILITY; OR (II) THE VALUE OF THE SUPPORTED DIGITAL ASSETS ON DEPOSIT IN CLIENT'S CUSTODIAL ACCOUNT(S) INVOLVED IN THE EVENT GIVING RISE TO SUCH LIABILITY AT THE TIME OF SUCH EVENT (THE VALUE OF WHICH SHALL BE CALCULATED AT THE AVERAGE UNITED STATES DOLLAR ASK PRICE, AT THE TIME OF SUCH EVENT, OF THE THREE (3) LARGEST U.S.-BASED EXCHANGES (BY TRAILING 30-DAY VOLUME) WHICH OFFER THE RELEVANT DIGITAL CURRENCY OR DIGITAL ASSET/USD TRADING PAIR, AS RELEVANT); PROVIDED, THAT IN NO EVENT SHALL COINBASE CUSTODY'S AGGREGATE LIABILITY IN RESPECT OF EACH COLD STORAGE ADDRESS EXCEED ONE HUNDRED MILLION US DOLLARS (\$100,000,000.00 USD).

EXCEPT FOR THE: (I) EXCLUDED LIABILITIES; (II) FRAUD; OR (III) WILLFUL MISCONDUCT, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF EITHER THE COINBASE ENTITIES OR CLIENT WITH RESPECT TO ANY BREACH OF ITS OBLIGATIONS HEREUNDER EXCEED THE GREATER OF: (A) THE VALUE OF THE CASH OR SUPPORTED DIGITAL ASSETS INVOLVED IN THE EVENT GIVING RISE TO SUCH LIABILITY AT THE TIME OF SUCH EVENT; (B) THE AGGREGATE AMOUNT OF FEES PAID BY CLIENT TO COINBASE IN RESPECT OF THE PRIME BROKER SERVICES IN THE 12-MONTH PERIOD PRIOR TO SUCH EVENT; OR (C) FIVE MILLION DOLLARS (\$5,000,000.00).

THE "EXCLUDED LIABILITIES" MEANS (X) WITH RESPECT TO CLIENT, (1) CLIENT'S DEFENSE AND INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING PURSUANT TO SECTION 19.1; (2) ANY OUTSTANDING COMMISSIONS OR FEES OWED BY CLIENT UNDER THIS AGREEMENT; (3) CLIENT'S

BREACH OF SECTION 8.1 (PRIME BROKER SITE & CONTENT); AND (4) CLIENT'S BREACH OF SECTION 5 (REPRESENTATIONS AND WARRANTIES); AND (Y) WITH RESPECT TO THE COINBASE ENTITIES, ANY COINBASE ENTITIES' DEFENSE AND INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT, INCLUDING PURSUANT TO SECTION 19.2.

WITH RESPECT TO THE EXCLUDED LIABILITIES, COINBASE'S LIABILITY TO CLIENT FOR ANY LOSSES ARISING OUT OF OR IN CONNECTION WITH COINBASE'S DEFENSE AND INDEMNITY OBLIGATIONS UNDER THIS AGREEMENT WILL BE LIMITED, IN THE AGGREGATE, TO AN AMOUNT EQUAL TO FIVE MILLION U.S. DOLLARS (\$5,000,000.00 USD).

21. Privacy

The Coinbase Entities shall use and disclose Client's and its Authorized Representatives' non-public personal information in accordance with the Coinbase Privacy Policy, as set forth at <https://www.coinbase.com/legal/privacy> or a successor website, and as amended and updated from time to time.

22. Dispute Resolution and Arbitration

- 22.1 The parties shall attempt in good faith to resolve any dispute arising out of or relating to this Coinbase Prime Broker Agreement promptly by negotiation. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place. Unless otherwise agreed in writing by the negotiating parties, the negotiation shall end at the close of the first meeting of executives described above ("First Meeting"). All offers, promises, conduct and statements, whether oral or written, made in the course of the negotiation by any of the parties, their agents, employees, experts and attorneys are confidential, privileged and inadmissible for any purpose, including impeachment, in any proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the negotiation.
- 22.2. At no time prior to the First Meeting shall either side initiate arbitration related to this Coinbase Prime Broker Agreement except to pursue a provisional remedy that is authorized by law or by agreement of the parties. However, this limitation is inapplicable to a party if the other party refuses to comply with the requirements of Section 22.1 above.
- 22.3. All applicable statutes of limitation and defenses based upon the passage of time shall be tolled while the procedures specified in Sections 22.1 and 22.2 above are pending and for 15 calendar days thereafter. The parties will take such action, if any, required to effectuate such tolling. The Party raising the issue will promptly notify the other in writing. Coinbase and Client will then meet in good faith to resolve the issue and, if they are unable to resolve the issue, will escalate the issue to their respective senior managers for resolution. Unless prohibited by applicable law or regulation, Coinbase shall not be relieved of its obligation to continue to perform under the Agreement while a dispute is ongoing.
- 22.4. If the matter is not resolved by negotiation pursuant to sections 22.1 through 22.3 above, any Claim arising out of or relating to this Coinbase Prime Broker Agreement, or the breach, termination, enforcement, interpretation or validity thereof, including any determination of the scope or applicability of the agreement to arbitrate as set forth in this Section 22, shall be determined by arbitration in the state of New York or another mutually agreeable location, before one neutral arbitrator. The arbitration shall be in accordance with the American Arbitration Association's rules for arbitration of commercial related disputes (accessible at http://www.adr.org/sites/default/files/CommercialRules_Web-Final.pdf), and the award of the arbitrator (the "Award") shall be accompanied by a reasoned opinion. Judgment on the Award may be entered in any court having jurisdiction. This Coinbase Prime Broker Agreement shall not preclude the Parties from seeking provisional relief, including injunctive relief, in any court of competent jurisdiction. Seeking any

such provisional relief shall not be deemed to be a waiver of such party's right to compel arbitration. The Parties expressly waive their right to a jury trial to the extent permitted by applicable law.

22.5. In any arbitration arising out of or related to this Coinbase Prime Broker Agreement, the arbitrator shall award to the prevailing party, if any, as determined by the arbitrator, all of its costs and fees. "Costs and fees" mean all reasonable pre-award expenses of the arbitration, including the arbitrator's fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees, and attorneys' fees.

22.6. The Parties acknowledge that this Coinbase Prime Broker Agreement evidences a transaction involving interstate commerce. Notwithstanding the provision herein with respect to applicable substantive law, any arbitration conducted pursuant to the terms of this Coinbase Prime Broker Agreement shall be governed by the Federal Arbitration Act (9 U.S.C. §§ 1-16).

23. Term, Termination and Suspension

This Coinbase Prime Broker Agreement is effective as of the date written below and shall remain in effect until terminated by Coinbase or Client as follows:

- (a) Coinbase may terminate this Coinbase Prime Broker Agreement in its entirety for any reason and without Cause by providing at least one-hundred eighty (180) days' prior written notice to Client and Client may terminate this Coinbase Prime Broker Agreement in whole or in part for any reason by providing thirty (30) days prior written notice to the applicable Coinbase Entity, provided however, in each case, the Coinbase Entities shall not restrict, suspend, or modify the Prime Broker Services following any termination without Cause or an termination by the Client until the end of any such notice period and neither party's termination of this Coinbase Prime Broker Agreement shall be effective until Client and the Coinbase Entities have fully satisfied their obligations hereunder.
- (b) Regardless of any other provision of this Coinbase Prime Broker Agreement, the Coinbase Entities may, in their sole discretion, suspend, restrict or terminate the Client's Prime Broker Services, including by suspending, restricting or closing the Client's Prime Broker Account and/or any associated Settlement Account, Custodial Account or any credit account (as applicable), for Cause, at any time and without prior notice to the Client. Regardless of any other provision of this Coinbase Prime Broker Agreement, Client may, in its sole discretion, terminate this Agreement, for Coinbase Cause, at any time and with prior notice to Coinbase.

"Cause" shall mean: (i) Client breaches any material provision of this Coinbase Prime Broker Agreement; (ii) Client takes any action to dissolve or liquidate, in whole or part; (iii) Client becomes insolvent, makes an assignment for the benefit of creditors, becomes subject to direct control of a trustee, receiver or similar authority; (iv) Client becomes subject to any bankruptcy or insolvency proceeding under any applicable laws, rules and regulations, such termination being effective immediately upon any declaration of bankruptcy; (v) Coinbase becomes aware of any facts or circumstances with respect to the Client's financial, legal, regulatory or reputational position which may affect Client's ability to comply with its obligations under this Coinbase Prime Broker Agreement; (vi) termination is required pursuant to a facially valid subpoena, court order or binding order of a government authority; (vii) Client's Prime Broker Account is subject to any pending litigation, investigation or government proceeding and/or Coinbase reasonably perceives a heightened risk of legal regulatory non-compliance associated with Client's use of Prime Broker Services; or (viii) Coinbase reasonably suspects Client of attempting to circumvent Coinbase's controls or uses the Prime Broker Services in a manner Coinbase otherwise deems inappropriate or potentially harmful to itself or third parties.

"Coinbase Cause" shall mean: (i) any of the Coinbase Entities breaches any material provision of this Coinbase Prime Broker Agreement and such breach is not cured within three (3) business days; (ii) any of the Coinbase Entities takes any action to dissolve or liquidate, in whole or part; (iii) any of the Coinbase Entities becomes insolvent, makes an assignment for the benefit of creditors, becomes subject to direct control of a trustee, receiver or similar authority; (iv) any of the Coinbase Entities becomes subject to any bankruptcy or insolvency

proceeding under any applicable laws, rules and regulations, such termination being effective immediately upon any declaration of bankruptcy and in the case of any involuntary proceeding, such proceeding is not dismissed or restrained within 30 days of its initiation; or (v) any applicable law, rule or regulation or any change therein or in the interpretation or administration thereof has or may have a material adverse effect on Client or the rights of Client or any Beneficiary with respect to any services covered by this Coinbase Prime Broker Agreement.

Additionally, in the event that Client forms the view, acting reasonably and based on material and objective facts and circumstances, that an event or cumulative effect of a series of events has occurred at Coinbase or a Coinbase Entity, that Client reasonably believes represents substantial risk to Client (whether reputationally or otherwise), Client's senior executives shall escalate the matter to Coinbase's senior executives and the Parties will promptly meet to discuss a resolution to the matter in good faith. Following such discussion, Coinbase shall have thirty (30) days to cure such event to the reasonable resolution of Client, provided such cure is possible. If Coinbase is unable to cure within this time period, or if Client reasonably holds the position that no practical solution exists to prevent material injury to its business (reputationally or otherwise) in light of such an adverse event, Client may provide written notice to Coinbase to remove the Majority Obligation requirements herein, upon written notice by Client to Coinbase, with the termination of the Majority Obligation becoming effective on the date provided in such notice. For the avoidance of doubt, changes that generally impact the digital assets markets at large shall not apply to the foregoing, except to the extent directly related to Coinbase.

- (c) Client acknowledges that the Coinbase Entities' decision to take certain actions, including suspending, restricting or terminating Client's Prime Broker Account or Prime Broker Services, may be based on confidential criteria that are essential to Coinbase's risk management and security practices and agrees that the Coinbase Entities are under no obligation to disclose the details of its risk management and security practices to Client.
- (d) Upon receipt of written notice from Client of any event that constitutes Coinbase Cause, if Coinbase fails to exercise any of its rights and remedies above for a period of 20 days following the receipt of such notice requesting a waiver, then Coinbase shall have waived its right to terminate the Coinbase Prime Broker Agreement or exercise any other rights or remedies by reason of such event and such event shall be deemed to have been cured regardless of whether it continues after such waiver; provided however that this provision: (i) does not limit Coinbase's right to take any actions with respect to an event that constitutes Cause as the result of the separate occurrence of such event or the occurrence of any other such event; and (ii) shall not apply to subsections (ii)–(iv) of Coinbase Cause.
- (e) Upon receipt of written notice from Coinbase any Coinbase Cause, if Client fails to exercise any of its rights and remedies above for a period of 20 days following the receipt of such notice requesting a waiver, then Client shall have waived its right to terminate the Coinbase Prime Broker Agreement or exercise any other rights or remedies by reason of such event and such event shall be deemed to have been cured regardless of whether it continues after such waiver; provided however that this provision: (i) does not limit Client's right to take any actions with respect to an event that constitutes a Coinbase Termination Event as the result of the separate occurrence of such event or the occurrence of any other such event; and (ii) shall not apply to subsections (ii) – (iv) of Coinbase Cause.
- (f) In the event that either Party terminates this Prime Broker Services Agreement pursuant to Section 23(a) herein, Coinbase shall use reasonable efforts to assist Client to transfer any Digital Assets, Fiat Currency or funds associated with the Digital Assets Wallet(s) or Fiat Currency (as applicable) to another provider within ninety (90) days of receipt of the Client's termination notice.

24. Severability

If any provision or condition of this Coinbase Prime Broker Agreement shall be held invalid or unenforceable, under any rule, law, or regulation or any governmental agency (local, state, or federal), such provision will be changed and interpreted to accomplish the objectives of the provision to the greatest extent possible under any applicable law and the validity or enforceability of any other provision of this Coinbase Prime Broker Agreement shall not be affected and shall continue in full force and effect.

25. Waiver

Any waivers of rights by a Party under this Coinbase Prime Broker Agreement must be in writing and signed by such Party. A waiver will apply only to the particular circumstance giving rise to the waiver and will not be considered a continuing waiver in other similar circumstances. A Party's failure to insist on strict compliance with this Coinbase Prime Broker Agreement or any other course of conduct by the other Party shall not be considered a waiver of their rights under this Coinbase Prime Broker Agreement. Any waiver of rights that cannot be waived under applicable laws in the jurisdiction where the Client is located will not be recognized and be null and void.

26. Survival

All provisions of this Coinbase Prime Broker Agreement which by their nature extend beyond the expiration or termination of this Coinbase Prime Broker Agreement including, without limitation, sections pertaining to suspension or termination, Custodial Account cancellation, debts (including the Sponsor's obligations under Sections 10 and 17) owed to the Coinbase Entities, general use of the Coinbase Prime Broker Site, disputes with Coinbase, and general provisions shall survive the termination or expiration of this Coinbase Prime Broker Agreement.

27. Governing Law

This Coinbase Prime Broker Agreement, Client's Prime Broker Account, and the Prime Broker Services will be governed by and construed in accordance with the laws of the State of New York, excluding its conflicts of laws principles, except to the extent such state law is preempted by federal law.

28. Force Majeure

The Coinbase Entities shall not be liable for delays, suspension of operations, whether temporary or permanent, failure in performance, or interruption of service which result directly or indirectly from any cause or condition beyond the reasonable control of the Coinbase Entities (a "Force Majeure Event"), including, but not limited to, any act of God; embargo; natural disaster; act of civil or military authorities; act of terrorists; government restrictions; any ruling by any Connected Trading Venue, exchange or market; market volatility or disruptions in order trading on any Connected Trading Venue, exchange or market; suspension of trading; civil disturbance; war; strike or other labor dispute; fire; severe weather; interruption in telecommunications, Internet services, or network provider services; network delays and congestion, a cybersecurity attack, hack or other intrusion by a third party of network provider or other third party, failure of equipment and/or software; failure of computer or other electronic or mechanical equipment or communication lines; outbreaks of infectious disease or any other public health crises, including quarantine or other employee restrictions; acts or omissions of any Connected Trading Venue; or any other catastrophe or other occurrence which is beyond the reasonable control of the Coinbase Entities and shall not affect the validity and enforceability of any remaining provisions. For the avoidance of doubt, a cybersecurity attack, hack or other intrusion by a third party or by someone associated with Coinbase against the Coinbase Entities is not a Force Majeure Event, to the extent due to Coinbase's failure to comply with its obligations under this Agreement.

29. Entire Agreement; Headings

This Coinbase Prime Broker Agreement, together with all exhibits, addenda and supplements attached hereto or referenced herein, comprise the entire understanding between Client and the Coinbase Entities as to the Prime Broker Services and supersedes all prior discussions, agreements and understandings, including any previous version of this Coinbase Prime Broker Agreement, and the Custodial Services Agreement between Client and any Coinbase Entity, including all exhibits, addenda, policies, and supplements attached thereto or referenced therein. Section headings in this Coinbase Prime Broker Agreement are for convenience only and shall not govern the meaning or interpretation of any provision of this Coinbase Prime Broker Agreement.

30. Amendments

Any modification or addition to this Coinbase Prime Broker Agreement must be in writing and either (a) signed by a duly authorized representative of each party, or (b) accepted and agreed to by Client. Client agrees that the Coinbase Entities shall not be liable to Client or any third party for any modification or termination of the Prime Broker Services, or suspension or termination of Client's access to the Prime Broker Services, except to the extent otherwise expressly set forth herein.

31. Assignment

Any assignment of Client's rights and/or licenses granted under this Coinbase Prime Broker Agreement without obtaining the prior written consent, such consent shall not be unreasonably withheld, of Coinbase shall be null and void. Coinbase reserves the right to assign its rights under this Coinbase Prime Broker Agreement without restriction, including to any of the Coinbase Entities or their affiliates or subsidiaries, or to any successor in interest of any business associated with the Prime Broker Services, provided that Coinbase shall notify Client within a reasonable amount of time after such assignment. Any attempted transfer or assignment in violation hereof shall be void *ab initio*. Subject to the foregoing, this Coinbase Prime Broker Agreement will bind and inure to the benefit of the Parties, their successors and permitted assigns.

32. Electronic Delivery of Communications

Client agrees and consents to receive electronically all communications, agreements, documents, notices and disclosures (collectively, "Communications") that the Coinbase Entities provide in connection with Client's Prime Broker Account and Client's use of Prime Broker Services. Communications include: (a) terms of use and policies Client agrees to, including updates to policies or the Coinbase Prime Broker Agreement, (b) Prime Broker Account details, including transaction receipts, confirmations, records of deposits, withdrawals or transaction information, (c) legal, regulatory and tax disclosures or statements the Coinbase Entities may be required to make available to Client and (d) responses to claims or customer support inquiries filed in connection with Client's Prime Broker Account.

Coinbase will provide these Communications to Client by posting them on the Prime Broker Site, emailing them to Client at the primary email address on file with Coinbase, communicating to Client via instant chat, and/or through other means of electronic communication. The Client agrees that electronically delivered Communications may be accepted and agreed to by Client through the Prime Broker Services interface. Furthermore, the Parties consent to the use of electronic signatures in connection with Client's use of the Prime Broker Services.

33. Notice and Contacts

33.3. All notices, requests and other communications to any party hereunder not covered by the Communications described Section 32 shall be in writing (including electronic mail ("**email**") transmission, so long as a receipt of such e-mail is requested and received) and shall be given,

If to Coinbase, to:

Legal Department
Coinbase Inc
248 3rd St, #434
Oakland, CA 94607
[***]
E-mail: [***]

If to Client, to
Grayscale Investments, LLC
290 Harbor Drive, 4thFloor
Stamford, CT 06902
Attention: Hugh Ross
E-mail: [***]

WITH A MANDATORY COPY OF ALL LEGAL NOTICES TO:
E-mail: [***]

If to Sponsor, to:
Grayscale Investments, LLC
290 Harbor Drive, 4thFloor
Stamford, CT 06902
Attention: CEO of Grayscale Investments, LLC
E-mail: [***]

or such other address as such party may hereafter specify for the purpose by notice to the other parties hereto. Each of the foregoing addresses shall be effective unless and until notice of a new address is given by the applicable party to the other parties in writing. Notice will not be deemed to be given unless it has been received.

33.4. In the event of any market operations, connectivity, or erroneous trade issues that require immediate attention including any unauthorized access to Client's Prime Broker Account, please contact:

To Coinbase: [***].

To Client: the email address specified in its signature block on the Execution Page.

It is solely Client's responsibility to provide Coinbase with a true, accurate and complete contact information including any e-mail address, and to keep such information up to date. Client understands and agrees that if Coinbase sends Client an electronic Communication, but Client does not receive it because Client's primary email address on file is incorrect, out of date, blocked by Client's service provider, or Client is otherwise unable to receive electronic Communications, Coinbase will be deemed to have provided the Communication to Client. Client may update Client's information via Client's Prime Broker Account and visiting settings or by providing a notice to Coinbase as prescribed above.

33.5. To see more information about our regulators, licenses, and contact information for feedback, questions, or complaints, please visit <https://www.coinbase.com/legal/licenses>.

34. [RESERVED]

35. Counterparts

This Coinbase Prime Broker Agreement may be executed in one or more counterparts, including by email of .pdf signatures or DocuSign (or similar electronic signature software), each of which shall be deemed to be an original document, but all such separate counterparts shall constitute only one and the same Coinbase Prime Broker Agreement.

36. Inspection and Auditing.

- (i) *Inspection and Auditing of Coinbase.* To the extent Coinbase may legally do so, it shall permit Client or Client's third party representatives under obligations to secure Coinbase's information no less restrictive than this Coinbase Prime Broker Agreement upon thirty (30) days' advance written notice, to inspect, take extracts from and audit the records maintained in relation to the Client, and take such steps as necessary to verify that satisfactory internal control systems and procedures are in place, as Client may reasonably request.

Client shall reimburse Coinbase (A) for all reasonable expenses incurred in connection with this Section 36, and (B) for reasonable time spent by Coinbase's employees or consultant in connection with this Section 36 at reasonable hourly rates to be agreed upon by Client and Coinbase. Any such audit will be conducted during normal business hours and in a manner designed to cause minimal disruption to Coinbase's ordinary business activities. The scope of any such audit will be jointly agreed to by Client and Coinbase in advance of any audit, provided that neither party shall be unreasonable with respect to the scope of such audit, and shall not include items other than those relevant to the Prime Services Coinbase provides to Client. Nothing in this section shall be interpreted to require Coinbase to disclose trade secrets, information related to other clients, provide access to secure facilities or services (such as "Vault" locations), or otherwise impair the security or availability of services Coinbase offers to other clients, provided that Coinbase will use reasonable efforts to provide Client with such information or substantially equivalent information in a manner that does not violate the foregoing.

- (ii) *Trust Company Audit Reports.* Coinbase shall, as soon as reasonably practicable after receipt of any audit report prepared by its internal or independent auditors pursuant to Coinbase's annual audit or otherwise, provide Client notification if such audit report reveals any material deficiencies or makes any material objections, furnish to Client a report stating the nature of such deficiencies or such objections, and describing the steps taken or to be taken to remedy the same. Such audit report will be deemed Confidential Information of Coinbase.

[Signatures on following page]

IN WITNESS WHEREOF, the Parties have caused this Coinbase Prime Broker Agreement, including the Coinbase Custodial Services Agreement, and Coinbase Settlement and Transfer Agreement, to be duly executed and delivered as of the date below.

COINBASE, INC. For itself and as agent for the Coinbase Entities

By: /s/ Lauren Abendschein
Name: Lauren Abendschein
Title: Senior Director
Date: May 23, 2024

CLIENT: Grayscale Ethereum Trust (ETH)

By: /s/ Hugh Ross
Name: Hugh Ross
Title: COO of Sponsor
Date: May 22, 2024
Address: 290 Harbor Drive, 4th Floor
Stamford, CT 06902
E-Mail: ***]

SPONSOR: Grayscale Investments, LLC

By: /s/ Hugh Ross
Name: Hugh Ross
Title: COO of Sponsor
Date: May 22, 2024
Address: 290 Harbor Drive, 4th Floor
Stamford, CT 06902
E-Mail: ***]

EXHIBIT A
to the Coinbase Prime Broker Agreement

COINBASE CUSTODY CUSTODIAL SERVICES AGREEMENT

This Custody Agreement is entered into between Client and Coinbase Custody and forms a part of the Coinbase Prime Broker Agreement between the Client and the Coinbase Entities. Capitalized terms used in this Custody Agreement that are not defined herein shall have the meanings assigned to them in the other parts of the Coinbase Prime Broker Agreement.

1. CUSTODIAL SERVICES.

Client hereby appoints Trust Company as its majority (“majority” meaning here at least [***] of Client’s total Digital Asset holdings are held with Trust Company, subject to the provisions set forth herein)^[1] provider of Custodial Services (the “**Majority Obligation**”). Trust Company shall establish Client’s “**Custodial Account**” as a segregated custody account controlled and secured by Trust Company to store certain supported digital currencies and utility tokens (“**Digital Assets**”), on Client’s behalf (the “**Custodial Services**”). Trust Company is a fiduciary under § 100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act of 1940, as amended, and is licensed to custody Client’s Digital Assets in trust on Client’s behalf. Digital Assets in Client’s Custodial Account are not treated as general assets of Trust Company. Rather, Trust Company serves as a fiduciary and custodian on Client’s behalf, and the Digital Assets in Client’s Custodial Account are considered fiduciary assets that remain Client’s property at all times. In addition, Coinbase Custody shall maintain: (i) any registrations, permits, licenses, approvals and consents issued by any governmental or quasi-governmental authority or regulatory organization necessary for it to carry out any of its obligations hereunder; and (ii) any adequate capital and reserves to the extent required by applicable law and shall not, directly or indirectly, lend, pledge, hypothecate or re-hypothecate or otherwise encumber any Digital Assets in the Custodial Account.

The Parties agree that if at any time the Client does not meet the Majority Obligation then the Parties will have a period of ninety (90) days to discuss this Section 1, and if applicable negotiate an amendment. If after ninety (90) days (i) the Parties have not reached an agreement, and (ii) the Majority Obligation is not met by Client then the other provisions of this Coinbase Prime Broker Agreement will apply (including Sections 22 and 23 the of General Terms).

2. CUSTODIAL ACCOUNT.

- 2.1. In General.** The Custodial Services: (i) allow holding the Vault Balance in Client’s Custodial Account and transfer Digital Assets among the Vault Balance and the Settlement Balance (as defined in Exhibit B, STA); (ii) allow supported Digital Assets to be deposited from a public blockchain address to Client’s Custodial Account; and (iii) allow Client to withdraw supported Digital Assets from Client’s Custodial Account to a public blockchain address Client controls pursuant to instructions Client provides through the Trust Company Site (each such transaction is a “**Custody Transaction**”). Client shall only withdraw or deposit Digital Assets to public blockchain addresses or to Client’s Settlement Balance. The Digital Assets stored in Client’s Custodial Account are not commingled with Digital Assets that Trust Company custodies for its other clients or Digital Assets of Trust Company and are custodied pursuant to the terms of this Custody Agreement and any addenda thereto. **Trust Company reserves the right to refuse to process or to cancel any pending Custody Transaction as required by law or in response to a subpoena, court order, or other binding government order or to enforce transaction, threshold, and condition limits, in each case as communicated to Client as soon as reasonably practicable where Trust Company is permitted to do so, or if Trust Company reasonably believes that the Custody Transaction may violate or facilitate the violation of an applicable law, regulation or applicable rule of a governmental authority or self-regulatory organization. Trust Company cannot reverse a Custody Transaction which has been broadcast to a Digital Asset network.**

2.2. Digital Asset Deposits and Withdrawals. Trust Company processes supported Digital Asset deposits and withdrawals according to the Instructions received from Authorized Representatives, and Trust Company does not guarantee the identity of any Authorized Representative. Client should verify all transaction information prior to submitting Instructions to Trust Company. Client should manage and keep secure any and all information or devices associated with deposit and withdrawal verification procedures, including YubiKeys and passphrases or other security or confirmation information. Trust Company reserves the right to charge network fees (miner fees) to process a Digital Asset transaction on Client's behalf. Trust Company will calculate the network fee, if any, in its discretion, although Trust Company will always notify Client of the network fee at or before the time Client authorizes the transaction. Trust Company reserves the right to delay any Custody Transaction if it perceives a risk of fraud or illegal activity.

2.3. Processing of Custody Transactions; Availability of Custodial Account and Custodial Services.

a. Withdrawals.

- i. Absent a Force Majeure Event as defined in Section 28 (Force Majeure) of the Coinbase Prime Broker Agreement, from the time Trust Company has verified the authorization of a complete set of Instructions to withdraw Digital Assets from Client's Custodial Account, Trust Company will have [***] hours, unless the Parties otherwise agree in writing to an alternate time frame, to process and complete such Instruction to withdraw Digital Assets from Client's Custodial Account and send those Digital Assets to the applicable Digital Asset network or to Client's Settlement Balance ("Transfer Time"), provided however; that in each case in the event that Trust Company is unable to process a withdrawal within the Transfer Time, the Trust Company shall have an additional [***] hours following the expiration of the Transfer Time to complete the withdrawal request ("Cure Period"); and
- ii. Notwithstanding the foregoing, in the event of a Force Majeure Event as defined in Section 28 (Force Majeure) of the Coinbase Prime Broker Agreement and for so long as the Force Majeure Event is continuing, the timing requirements of Section 2.3(A)(i) shall not apply. Once the Force Majeure Event ceases to exist as determined by Trust Company in its good faith and reasonable discretion, then Trust Company shall process and complete such verified Instruction to withdraw in [***] hours, unless the Parties otherwise agree in writing to an alternate time frame, which in each case remains subject to the Cure Period provisions as described above.
- iii. *Deposits.* Trust Company will ensure that Client-initiated Instructions to deposit are processed in a timely manner; however, Trust Company makes no representations or warranties regarding the amount of time needed to complete processing, which is dependent upon many factors outside of Trust Company's control.

Trust Company makes no other representations or warranties with respect to the availability and/or accessibility of the Digital Assets or the availability and/or accessibility of the Custodial Account or Custodial Services.

2.4. Safekeeping of Digital Assets. Trust Company shall use commercially reasonable efforts to keep in safe custody on behalf of Client all Digital Assets received by Trust Company. All Digital Assets credited to the Custodial Account shall:

- (i) be held in the Custodial Account at all times, and the Custodial Account shall be controlled by Trust Company;
- (ii) be labeled or otherwise appropriately identified as being held for Client;
- (iii) be held in the Custodial Account on a non-fungible basis;
- (iv) not be commingled with other Digital Assets held by Trust Company, whether held for Trust Company's own account or the account of other clients other than Client;

- (v) not without the prior written consent of Client be deposited or held with any third-party depository, custodian, clearance system or wallet;
- (vi) for any Custodial Accounts maintained by Trust Company on behalf of Client, Trust Company will use commercially reasonable efforts to keep the private key or keys secure, and will not disclose such keys to Client or to any other individual or entity except to the extent that any keys are disclosed consistent with a standard of commercially reasonable effort and as part of a multiple signature solution that would not result in the Grayscale Investment Product or Sponsor “storing, holding, or maintaining custody or control of” the Digital Assets “on behalf of others” within the meaning of the New York BitLicense Rule (23 NYCRR Part 200) as in effect as of June 24, 2015 such that it would require the Grayscale Investment Product or Sponsor to become licensed under such law.

2.5. Supported Digital Asset. The Custodial Services are available only in connection with those Digital Assets that Trust Company, in its sole discretion, decides to support. The Digital Assets that Trust Company supports may change from time to time. Prior to initiating a deposit of Digital Asset to Trust Company, Client must confirm that Trust Company offers Custodial Services for that specific Digital Asset. By initiating a deposit of Digital Asset to a Custodial Account, Client attests that Client has confirmed that the Digital Asset being transferred is a supported Digital Asset offered by Trust Company. Under no circumstances should Client attempt to use the Custodial Services to deposit or store Digital Assets in any forms that are not supported by Trust Company. Depositing or attempting to deposit Digital Assets that are not supported by Trust Company will result in such Digital Asset being unretrievable by Client and Trust Company. Trust Company assumes no obligation or liability whatsoever regarding any unsupported Digital Asset sent or attempted to be sent to it, or regarding any attempt to use the Custodial Services for Digital Assets that Trust Company does not support. To confirm which Digital Assets are supported by Trust Company, Client should login at <https://custody.coinbase.com> and carefully review the list of supported Digital Assets. Trust Company recommends that Client deposit a small amount of supported Digital Asset as a test prior to initiating a deposit of a significant amount of supported Digital Asset. Trust Company may from time to time determine types of Digital Asset that will be supported or cease to be supported by the Custodial Services. Trust Company shall provide Client with thirty (30) days’ written notice before ceasing to support a Digital Asset, unless Trust Company is required to cease such support by court order, statute, law, rule (including a self-regulatory organization rule), regulation, code, or other similar requirement, in which case written notice shall be provided as soon as reasonably practicable.

2.6. Use of the Custodial Services. Client acknowledges and agrees that Trust Company may monitor use of the Custodial Account and the Custodial Services and the resulting information may only be utilized, reviewed, retained and or disclosed by Trust Company as is necessary for its internal purposes or in accordance with the rules of any applicable legal, regulatory or self-regulatory organization or as otherwise may be required to comply with relevant law, sanctions programs, legal process or government request.

2.7. Independent Verification. If Client is subject to Rule 206(4)-2 under the Investment Advisers Act of 1940, Trust Company shall, upon written request, provide Client authorized independent public accountant confirmation of or access to information sufficient to confirm (i) Client’s Digital Assets as of the date of an examination conducted pursuant to Rule 206(4)-2(a)(4), and (ii) Client’s Digital Assets are held either in a separate account under Client’s name or in accounts under Client’s name as agent or trustee for Client’s clients.

2.8. Third-Party Payments. The Custodial Services are not intended to facilitate third-party payments of any kind. As such, Trust Company has no control over, or liability for, the delivery, quality, safety, legality or

any other aspect of any goods or services that Client may purchase or sell to or from a third party (including other users of Custodial Services) involving Digital Assets that Client intends to store, or have stored, in Client's Custodial Account.

2.9. Termination, and Cancellation. If Trust Company closes Client's Custodial Account or terminates Client's use of the Custodial Services, Client will be permitted to withdraw Digital Assets associated with Client's Custodial Account for a period of up to ninety (90) days following the date of deactivation or cancellation to the extent not prohibited: (i) under applicable law, including applicable sanctions programs; or (ii) by a facially valid subpoena, court order, or binding order of a government authority.

2.10. Location of Digital Assets. The Location of the Digital Assets shall be the United States. Trust Company shall acquire written approval of Client prior to changing the Location of the Digital Assets outside of the United States, except in the event of a security or disaster recovery event necessitating immediate remediation, in which case Trust Company will provide notice to Client as soon as reasonably practicable. "Location" means, with respect to any Digital Assets, the jurisdiction in which Trust Company deems such Digital Assets to be present.

2.11. Third-Party or Non-Permissioned Use. Except for fund administrators, Client shall not grant permission to a third party or non-permissioned user to access or connect to Client's Custodial Account, either through the third party's product or service or through the Trust Company Site. Client acknowledges that granting permission to a third party or non-permissioned user to take specific actions on Client's behalf does not relieve Client of any of Client's responsibilities under this Custody Agreement and may violate the terms of this Custody Agreement. Client is fully responsible for all acts or omissions of any third party or non-permissioned user with access to Client's Custodial Account, other than Trust Company. Further, Client acknowledges and agrees that Client will not hold Trust Company responsible for, and will indemnify Trust Company from, any liability arising out of or related to any act or omission of any third party or non-permissioned user with access to Client's Custodial Account, except to the extent of Trust Company's fraud, negligence, or willful misconduct. Client must notify Trust Company immediately after becoming aware of a third party or non-permissioned user accessing or connecting to Client's Custodial Account by contacting Client's Custodial Account representative or by emailing [***] from the email address associated with Client's Custodial Account.

2.12. Relationship of the Parties. Nothing in this Custody Agreement shall be deemed or is intended to be deemed, nor shall it cause, Client and Trust Company to be treated as partners, joint ventures, or otherwise as joint associates for profit, or either Client or Trust Company to be treated as the agent of the other.

3. TRUST COMPANY OBLIGATIONS.

3.1. Bookkeeping. Trust Company will keep timely and accurate records as to the deposit, disbursement, investment, and reinvestment of the Digital Assets. Trust Company will maintain accurate records and bookkeeping of the Custodial Services as required by applicable law and in accordance with Trust Company's internal document retention policies, but in no event for less than seven years.

3.2. Insurance. Trust Company will obtain and maintain, at its sole expense, insurance coverage in such types and amounts as are commercially reasonable for the Custodial Services provided hereunder.

4. COINBASE REPRESENTATIONS

- (i) Trust Company will safekeep the Digital Assets and segregate all Digital Assets from both the (a) property of Trust Company, and (b) assets of other customers of Trust Company;
- (ii) Trust Company is a custodian of the Digital Assets stored by Client in the Custodial Account, has no right, interest, or title in such Digital Assets, and will not reflect such Digital Assets as an asset on the balance sheet of the Trust Company;
- (iii) Trust Company will not, directly or indirectly, lend, pledge, hypothecate or re-hypothecate any Digital Assets;
- (iv) Except as directed by Client, Trust Company does not engage in any fractional reserve banking in connection with Client's Custodial Account, and, as such, none of the Digital Assets in Client's Custodial Account will be used by Trust Company in connection with any loan, hypothecation, lien (including, but not limited to, any mortgage, deed of trust, pledge, charge, security interest, attachment, encumbrance or other adverse claim of any kind in respect of such Digital Assets) or claim of (or by) Trust Company or otherwise transferred or pledged to any third party, without the written agreement of Client; and
- (v) Trust Company will maintain adequate capital and reserves to the extent required by applicable law.

5. ADDITIONAL MATTERS

In addition to any additional service providers that may be described in an addendum or attachment hereto, Client acknowledges and agrees that the Custodial Services may be provided from time to time by, through or with the assistance of affiliates of or vendors to Trust Company. Client shall receive notice of any material change in the entities that provide the Custodial Services.

[Remainder of page intentionally left blank]

EXHIBIT B
to the Coinbase Prime Broker Agreement

COINBASE SETTLEMENT AND TRANSFER AGREEMENT

Client should carefully consider holding Digital Assets is suitable for its purpose, including in relation to Client's knowledge of Digital Assets and Digital Asset markets and Client's financial condition. All investments involve risk, and the past performance of a financial product does not guarantee future results or returns.

This Settlement and Transfer Agreement ("STA") sets forth the terms and conditions for clients to transfer Digital Assets through the execution infrastructure of the Prime Broker Services platform ("Prime Platform" or "Settlement Platform") and forms a part of the Coinbase Prime Broker Agreement between Client and the Coinbase Entities. Pursuant to this STA, Coinbase shall open a Settlement Account for the Client on the Prime Platform consisting of linked accounts at Coinbase and Coinbase Custody, each accessible via the Prime Platform ("Settlement Account"). This Settlement Account is on the Prime Platform however Client acknowledges and agrees that the Settlement Account will not be used for trading. Capitalized terms used in this STA that are not defined herein shall have the meanings assigned to them in the other parts of the Coinbase Prime Broker Agreement.

1. Client Settlement Balance and Vault Balance

- 1.1. For purposes of this STA, Client's Digital Assets are referred to as "Client Digital Assets," Client's cash is referred to as "Client Cash," and Client Digital Assets and Client Cash are together referred to as "Client Assets."
- 1.2. The Coinbase Settlement Account provides access to two types of accounts with balances relating to Client Assets: (1) the "Settlement Balance" (as described below in Section 1.3); and (2) the "Vault Balance" (as described below in Section 1.5). The Settlement Account provides a record of both the Settlement Balance and the Vault Balance. Client determines the allocation of its Client Digital Assets between the Settlement Balance and the Vault Balance. Maintenance of the Vault Balance shall be subject to the terms of the Custody Agreement. For the avoidance of doubt the Settlement Balance is separate from the Vault Balance and any other Digital Assets Client maintains directly with Coinbase Custody.
- 1.3. Coinbase holds Digital Assets credited to the Settlement Balance in one of three ways: (i) in omnibus hot wallets (each, an "Omnibus Hot Wallet"); (ii) in omnibus cold wallets (each, an "Omnibus Cold Wallet"); or (iii) in Coinbase's accounts with one of the trading venues to which the Prime Platform has established connections ("Coinbase Connected Trading Venue Digital Asset Balance"). Client agrees that Coinbase has sole discretion in determining the allocation of Digital Assets credited to the Settlement Balance. Digital Assets credited to the Settlement Balance are held on an omnibus basis and because of the nature of certain Digital Assets, Client does not have an identifiable claim to any particular Digital Asset. Instead, Client's Settlement Balance represents an entitlement to a *pro rata* share of the Digital Assets Coinbase has allocated to the Omnibus Hot Wallets, Omnibus Cold Wallets and Coinbase Connected Trading Venue Digital Asset Balance. Coinbase relies on the trading venues to which the Coinbase has established connections ("Connected Trading Venues") for the Coinbase Connected Trading Venue Digital Asset Balance, and Client has no contractual relationship with the Connected Trading Venues with respect to Digital Assets credited to the Settlement Balance.
- 1.4. Client may maintain Client Cash in the Settlement Balance. Coinbase holds Client Cash credited to the Settlement Balance in one of three ways: (i) in one or more omnibus accounts in Coinbase's name for the benefit of customers at one or more U.S. insured depository institutions (each, an "FBO account"); (ii) with respect to USD, liquid investments, which may include but are not limited to U.S. treasuries and money market funds, in accordance with state money transmitter laws; and (iii) in Coinbase's omnibus accounts at Connected Trading Venues. Coinbase will title the FBO accounts it maintains with U.S. depository institutions and maintain records of Client's interest in a manner designed to enable receipt of

Federal Deposit Insurance Corporation (“FDIC”) deposit insurance, where applicable and up to the deposit insurance limits applicable under FDIC regulations and guidance, on Client Cash for the Client’s benefit on a pass-through basis. Coinbase does not guarantee that pass-through FDIC deposit insurance will apply to Client Cash, since such insurance is dependent in part on compliance of the depository institutions. FDIC insurance applies to cash deposits at banks and other insured depository institutions in the event of a failure of that institution, and does not apply to any Coinbase Entity or to any Digital Asset held by a Coinbase Entity on Client’s behalf.

- 1.5. At Client’s election, all or a portion of Client Digital Assets may also be allocated to the Vault Balance which is held in a Custodial Account in Client’s name at Coinbase Custody pursuant to the Custody Agreement. A transfer of Digital Assets in the Vault Balance to Client’s Settlement Balance will be subject to Coinbase Custody’s standard cold storage withdrawal procedures. Client hereby appoints Coinbase as Client’s agent for purposes of instructing Coinbase Custody to transfer Client Digital Assets between Client’s Vault Balance and Client’s Settlement Balance. Client agrees that an Instruction to Coinbase to settle Client Digital Assets to or from Client’s Vault Balance constitutes authorization to Coinbase to transfer Client Digital Assets to or from Client’s Vault Balance as necessary or appropriate to consummate such settlement.
- 1.6. In all circumstances and consistent with laws and regulations applicable to Coinbase, Coinbase will keep an internal ledger that specifies the Client Assets credited to Client’s Settlement Balance and enables Coinbase and its auditors and regulators to identify Client and the Client Assets.
- 1.7. Coinbase treats all Client Assets as custodial assets held for the benefit of Client. No Client Assets credited to the Settlement Balance shall be considered to be the property of, or loaned to, Coinbase, except as provided in any loan agreement between Client and any Coinbase Entity. Neither Coinbase nor any Coinbase Entity will sell, transfer, loan, rehypothecate or otherwise alienate Client’s Assets credited to Client’s Settlement Balance unless instructed by Client pursuant to an agreement between Client and a Coinbase Entity.

2. Role of Coinbase Custody

- 2.1. Coinbase may at its sole discretion maintain portions of the Omnibus Hot Wallet and the Omnibus Cold Wallet in one or more custodial FBO accounts with its affiliate, Coinbase Custody. In such circumstances, although the Omnibus Hot Wallet and the Omnibus Cold Wallet are held in Coinbase’s FBO accounts with Coinbase Custody, Client’s legal relationship for purposes of Digital Assets held in the Omnibus Hot Wallet and the Omnibus Cold Wallet will not be, directly or indirectly, with Coinbase Custody and the terms, conditions and agreements relating to those wallets are to be governed by this STA.
- 2.2. Client Digital Assets held in the Vault Balance are maintained directly between Client and Coinbase Custody in Client’s name and are subject to the terms of the Client’s Custody Agreement.

3. Cash and Digital Asset Deposits and Withdrawals

- 3.1. To deposit Client Cash, Client must initiate a transfer from a linked bank account, a wire transfer, a SWIFT transfer, or other form of electronic payment approved by Coinbase from time to time to Coinbase’s bank account, the instructions for which are available on the Coinbase Prime Broker Site. Coinbase will credit the Settlement Balance with Client Cash once the associated cash is delivered to Coinbase.
- 3.2. To withdraw Client Cash, Client may also initiate a withdrawal of Client Cash from the Settlement Balance at any time using the withdrawal function on the Prime Platform.
- 3.3. To deposit Client Digital Assets, Clients may transfer Client Digital Assets directly to the Omnibus Hot Wallet or Omnibus Cold Wallet, the instructions for which are available on the Coinbase Prime Broker Site. When Client transfers Digital Assets to Coinbase or Coinbase Custody, it delivers custody and

control of the Digital Assets to Coinbase or Coinbase Custody, as applicable. Client represents and warrants that any Digital Asset so transferred shall be free and clear of all liens, claims and encumbrances.

- 3.4. To withdraw Client Digital Assets, Client must provide applicable Instructions via the Coinbase Prime Broker Site ("Withdrawal Transfer"). Once Client has initiated a Withdrawal Transfer, the associated Client Digital Assets will be in a pending state and will not be included in the Client's Settlement Balance or Vault Balance. Client acknowledges that Coinbase may not be able to reverse a Withdrawal Transfer once initiated. Client may request a withdrawal of Client Digital Assets at any time, subject to any applicable account restrictions and the terms herein. Withdrawal Transfers will be processed in the order they are received subject to any system limitations or network issues including delays on the blockchain.
- 3.5. Client must verify all transaction information prior to submitting withdrawal Instructions to Coinbase, as Coinbase cannot and does not guarantee the identity of the wallet owner or bank account to which Client is sending Client Digital Assets or Client Cash, as applicable. Coinbase shall have no liability, obligation, or responsibility whatsoever for Client Cash or Client Digital Asset transfers sent to or received from an incorrect party or sent or received via inaccurate Instructions.

4. Unclaimed Property

If Coinbase is holding Client Assets in the Settlement Balance, has no record of Client's use of the Prime Services for an extended period, and is otherwise unable to contact Client, Coinbase may be required under applicable laws, rules or regulations to report these assets as unclaimed property and to deliver such unclaimed property to the applicable authority. Coinbase may deduct a dormancy fee or other administrative charge from such unclaimed funds, as permitted by applicable laws, rules or regulations.

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CONTINENTAL
STOCK TRANSFER & TRUST

Requirements of
Continental Stock Transfer & Trust Company
As Co-Transfer Agent

Requirements of
Continental Stock Transfer & Trust Company
as Co-Transfer Agent

1. Agreement and Copy of Resolution of Board of Directors for our Appointment as Co-Transfer Agent.
2. Copy of Charter or Certificate of Incorporation and Amendments thereto certified by an official of the State of Incorporation.
3. Copy of By-Laws and amendments thereto certified by the Corporate Secretary.
4. Form W-9/W-8 BEN-E, signed by an authorized officer of the entity.
5. Opinion of Counsel for the Corporation advising as to:
 - (a) the proper organization of the Corporation;
 - (b) the legality of the issuance of its presently issued Capital Stock and Capital Stock being issued in connection with a public offering;
 - (c) full compliance as to the aforementioned Capital Stock with the Federal Securities Act of 1933, as amended, or the reason and statutory reference under which exemption is claimed if registration under said Act is not necessary.

Initial Public Offering clients: please provide a letter of instruction, signed by two corporate officers, authorizing and directing the Co-Transfer Agent to issue securities in accordance with the underwriter's instructions or the Company's instructions, as the case may be.



Continental Stock Transfer & Trust Company

Co-Transfer Agency Agreement

This agreement is made as of May 22, 2024

Between: Grayscale Investments, LLC, ("Sponsor") as Sponsor of the Grayscale Ethereum Trust (ETH) (hereinafter referred to as the "*Company*")

And: Continental Stock Transfer & Trust Company ("Continental"), incorporated under the Laws of New York and headquartered in New York, NY USA

The Bank Of New York Mellon, Primary Agent (hereinafter referred to as "Primary Agent") is identified within but is not party to the agreement.

Whereas, the Company has previously appointed PRIMARY AGENT as Principal Transfer Agent and Registrar for the securities of the Company (the "Main Agreement"), which appointment PRIMARY AGENT has approved, and;

Whereas, the Company desires to appoint Continental as Co-Transfer Agent for the securities of the Company listed on the NYSE Arca Stock Exchange, which appointment Continental desires to approve.

- 1. Appointment.** The Company hereby appoints Continental as its Co-Transfer Agent for the securities of the Company, and Continental hereby accepts the said appointment upon the terms and conditions as set out in this Agreement including the services listed in Exhibit A.
- 2. Description of Register of Transfers.** Continental shall keep and maintain or cause to be kept and maintained a branch register of transfers wherein shall be recorded only the particulars of Direct Registration System ("DRS") book-entry transfers of shares registered at its office. Continental shall advise PRIMARY AGENT at its principal office or other designated offices of all transfers of securities made, entered or recorded in the register of DRS transfers kept by Continental and, in addition, transfer journals reflecting transfers of other items promptly after such transfers are entered or recorded but in all cases within 24 hours, by granting PRIMARY AGENT access to the transfer journals posted to ContinentalLink each evening.
- 3. Transferability of Securities.** All the securities issued by Continental or PRIMARY AGENT shall be effectively and interchangeably transferable on the register of transfers of the Company's securities kept and maintained at Continental's offices or at the offices of PRIMARY AGENT or its successors, regardless of where or when the certificates for securities have been issued. All DRS positions in the U.S. depository are controlled by Continental and PRIMARY AGENT agrees that no transaction will be processed against a DRS position maintained on its register unless the transaction was reflected on Continental's transfer journal or PRIMARY AGENT notifies Continental in advance of making any change to ensure that the DRS position is valid at that time.

- 4. Issuance of Certificates Upon Transfer.** Continental is hereby authorized and directed, subject to paragraph 6 hereof and other instructions of PRIMARY AGENT or its successors, from time to time, to enter and record or to cause to be entered and recorded transfers of securities, to cancel certificates for securities surrendered upon transfer and to countersign, register and issue to security holders entitled thereto certificates representing securities duly transferred to or held by them respectively. The Company shall furnish Continental with certificates for the securities of the Company in such quantities and denominations as, from time to time, may be required. Continental is hereby authorized and directed to countersign and register such certificates upon surrender of outstanding certificates submitted for transfer or exchange.
- 5. Stop Transfers.** When Continental is advised by any security holder or any duly appointed representative thereof that certificates representing the securities registered in the name of such security holders are lost, mutilated, stolen or destroyed, Continental shall forthwith advise PRIMARY AGENT or its successors, at its designated office thereof so that a “stop transfer” notation may be made accordingly on its records and thereafter Continental shall not register the transfer of any of the securities represented by such certificates. If Continental receives a request to transfer securities represented by a certificate, which has been reported lost, mutilated, stolen or destroyed, Continental shall notify PRIMARY AGENT or its successors, and await instructions therefrom. PRIMARY AGENT or its successors shall provide Continental with a list of all “stop transfer” notations on record against the certificates for the securities upon the appointment of Continental as Co-Agent. Upon the subsequent placement or removal of “stop transfers” PRIMARY AGENT or its successors shall immediately advise Continental in writing of the change. Notwithstanding the foregoing, Continental shall not be required to make such transfers unless all legal requirements have been met and an indemnity satisfactory to Continental shall be given. Certificates to replace lost, mutilated, stolen or destroyed certificates shall be issued only by PRIMARY AGENT or its successors. Therefore, any request to issue new certificates in such circumstances shall be submitted by Continental to PRIMARY AGENT or its successors.
- 6. Conditions of Transfers.** No securities may be transferred on Continental’s register of transfers except in conformity with the following provisions:

 - a.** Securities may only be transferred by delivering to Continental the certificate representing the securities to be transferred with the form of transfer provided thereon duly completed and executed by the transferor or its duly authorized representative with the signature of the transferor guaranteed by a financial institution that is a member of a recognized STAMP Medallion Signature Guarantee Program or other acceptable organization as defined in the Stock Transfer Association’s Guidelines as updated from time to time.
 - b.** Continental will send to PRIMARY AGENT an electronic image of restricted securities (including supporting documentation) presented to Continental for transfer and will act upon the direction of PRIMARY AGENT to transfer and maintain or release the restriction or to request additional documentation from the presenter, in accordance with PRIMARY AGENT’s policies and documentation in its possession to support such transfers. Accordingly, Continental may rely upon and shall be fully protected, held harmless and indemnified in acting or refraining from acting in reliance upon such PRIMARY AGENT directions. However, Continental will be responsible for authenticating the validity of any certificate it receives for transfer that it does not forward to PRIMARY AGENT.
- 7. Maintenance of Records.** Continental shall maintain customary records in connection with the appointment herein and may send to the Company or its successors, all books, documents and records no longer required by it for current purposes. Continental is authorized to destroy certificates for securities that have imaged and indexed within three business days after the date of cancellation, pursuant to SEC Rule 17Ad-19.

- 8. Legal Matters.** Continental may, from time to time, refer any legal matters that may arise in connection with the performance of its duties and obligations herein to legal counsel for the Company or to legal counsel of Continental, for an opinion, the cost being borne by the Company, and may rely upon and shall be fully protected and held harmless in acting or refraining from acting in reliance upon: such legal advice, opinions, or instructions.
- 9. Fees.** The monthly retainer fee payable by the Company to Continental shall be \$ (insert amount) (US). No termination fee shall apply.
- 10. Term.** Although executed as of the date hereof, this Agreement shall not become effective until the date on which shares of Grayscale Ethereum Trust (ETH) begin trading on NYSE Arca as shares of an exchange-traded product. On the date this Agreement becomes effective, the Transfer Agency and Registrar Services Agreement between Continental and the Company dated December 12, 2017, shall terminate. The appointment of Continental as the Co-Transfer Agent is valid until terminated upon ninety (90) days prior written notice delivered by the Company or Continental to the other parties.
- 11. Degree of Care and Discharge.** Continental agrees to faithfully carry out and perform its duties hereunder and, upon termination of its appointment and payment of outstanding fees, shall deliver to the Company, all registers of transfers and documents in connection therewith. A receipt therefor, signed by an officer of the Company shall be a valid discharge to Continental of its appointment hereunder.
- 12. Trusts.** Continental shall not be bound to see to the execution of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the securities or any interests therein are subject to, to ascertain or inquire whether any sale or transfer of any such securities or interest therein by a holder or his personal representatives is authorized by such trust, charge, pledge or equity or to recognize any person having any interest therein except for the person recorded as such holder.
- 13. Reliance and Indemnity.**
- a. Continental may rely upon and shall be fully protected and held harmless in acting or refraining from acting in reliance upon: (i) any written or oral instructions, representations or certifications received from any person it believes in good faith to be an officer, authorized agent, employee or shareholder of Company; (ii) advice, opinions, or instructions received from Company's or Continental's legal counsel; (iii) any information, records and documents provided to Continental by a former transfer agent or registrar of the Company or PRIMARY AGENT; (iv) the authenticity of any signature (manual, facsimile or electronic transmission) appearing on any writing or communication; and (v) on the conformity to original of any copy.
 - b. The Company agrees to defend, indemnify and hold harmless Continental, its successors and assigns, and each of its directors, officers, employees and agents (the "*Indemnified Parties*") against and from any demands, claims, assessments, proceedings, suits, actions, costs, judgments, penalties, interest, liabilities, losses, damages, debts, expenses and disbursements (including expert consultant and legal fees and disbursements on a substantial indemnity, or solicitor and client, basis) (collectively, the "*Claims*") that the Indemnified Parties, or any of them, may suffer or incur or that may be asserted against them, or any of them, in consequence of, arising from or in any way relating to this Agreement (as the same may be amended, modified or supplemented from time to time) or its duties hereunder in connection with or in any way relating to this Agreement. In addition, the Company agrees to reimburse, indemnify and save harmless the Indemnified Parties for, against and from all legal fees and disbursements (on a substantial indemnity, or solicitor and client, basis)

incurred by an Indemnified Party if the Company commences an action, or cross claims or counterclaims, against the Indemnified Party and the Indemnified Party is successful in defending such claim.

- c. The Company agrees that its liability hereunder shall be absolute and unconditional regardless of the correctness of any representations of any third parties and regardless of any liability of third parties to the Indemnified Parties, and shall accrue and become enforceable without prior demand or any other precedent action or proceeding, and shall survive the resignation or removal of Continental or the termination of this Agreement.
- d. Continental shall not be under any obligation to prosecute or defend any action or suit in respect of their agency relationships with the Company under this Agreement, but will do so at the request of the Company provided that the Company furnishes an indemnity satisfactory to Continental against any liability, cost or expense which might be incurred.

14. Limitation on Liability. Continental shall not be liable for any error in judgment, for any act done or step taken or omitted by it in good faith, for any mistake of fact or law or for anything which it may do or refrain from doing in connection herewith except arising out of their bad faith or willful misconduct. In the event Continental is in breach of this Agreement or its duties hereunder or any agreement or duties relating to any other services that Continental may provide to the Company in connection with or in any way relating to this Agreement or Continental's duties hereunder, Continental shall be liable for claims or damages only to an aggregate maximum amount equal to the amount of fees paid hereunder by the Company to Continental in the twelve months preceding the last of the events giving rise to such claims or damages, except to the extent that Continental has acted in bad faith or engaged in willful misconduct. In no event shall continental be liable for any special, indirect, incidental, punitive or consequential damages arising out of or related to this agreement (including lost profits, damage to reputation or lost savings), even if foreseeable or even if Continental has been advised of the possibility of such damages.

15. Amendment, Assignment and Termination.

- a. Except as specifically provided herein, this Agreement may only be amended or assigned by a written agreement of the parties.
- b. Any entity resulting from the merger, amalgamation or continuation of Continental or succeeding to all or substantially all of its transfer agency business (by sale of such business or otherwise), shall thereupon automatically become the co-transfer agent hereunder without further act or formality.
- c. This Agreement may be terminated by any party on 90 days' notice in writing being given to the other parties at the addresses set out in Section 16 or at such other addresses of which notice has been given.
- d. This Agreement may be terminated by Continental in writing to the Company in the event the Company refuses or fails to pay an invoice for fees and expenses, or other demand for payment issued or made pursuant to this Agreement by Continental.
- e. The provisions of Sections 14, 15 and 16 shall survive termination of this Agreement.



16. Address for Service. For the purposes of notices, the addresses for each party are as follows unless changed by notice in writing:

Continental Stock Transfer & Trust Company

1 State Street, 30th Floor

New York, NY USA 10004

Phone: 212.845.3224

Email: kvandell@continentalstock.com

Grayscale Investments, LLC

290 Harbor Drive, 4th Floor

Stamford, CT 06902

Email: legal@grayscale.com

17. Certificate of Incumbency. Continental and PRIMARY AGENT will provide each other with a list of specimen signatures of officers of their respective companies who are authorized to countersign certificates for securities. The lists shall be updated on a regular basis to reflect changes in the authorized personnel.

18. Governing Laws. This Agreement and the rights and obligations of the parties hereto shall be governed by and interpreted in accordance with the Laws of the State of New York and the Laws of the United States as applicable therein.

19. Successors and Assigns. The provisions of this Agreement shall be binding upon the parties hereto and their respective successors and assigns.



In witness whereof, this Agreement has been duly executed by the parties hereto.

GRAYSCALE ETHEREUM TRUST (ETH)

By: Grayscale Investments, LLC, as Sponsor of
Grayscale Ethereum Trust (ETH)

By: /s/ Hugh Ross

Title: COO

Continental Stock Transfer & Trust Company

By: /s/ Douglas Reed

Title: Vice President

Exhibit A

Included Services

- Unless directed by PRIMARY AGENT, Continental will not process the following items:
 - Treasury Orders
 - Returns to Treasury
 - Restricted Securities (US Legend, etc.)
 - Certificates with Stop Transfer Notations
 - Certificate Replacements
 - Estate Transfers
 - Class conversions
- Continental will refer all Non-Routine Transfers as noted above to PRIMARY AGENT for processing and will advise the presenter by return mail.
- On a weekly basis PRIMARY AGENT will provide Continental with a stop list for all Co-Agent issues
- DRS Processing
 - Continental will always recommend to potential Co-Agent clients to offer DRS Participation to provide an efficient process for withdrawing certificates from DTC.
 - Continental will issue a “Co-Agent” DRS Advice/Statement that will not have any reference to PRIMARY AGENT.
 - PRIMARY AGENT will record Continental issued DRS positions as “BOOK” on PRIMARY AGENT’s register even though on Continental’s transfer journals sent to PRIMARY AGENT will show as “DRS”.
 - Continental will do the same in the event an PRIMARY AGENT DRS position is sent to Continental by US brokers.
 - Annual DRS Statement to shareholders will be sent by Continental per DRS requirements for only Continental DRS positions.
 - Continental will reconcile the DTC Fast Balance with PRIMARY AGENT on a weekly basis.
 - On a weekly basis, Continental will provide DTC Fast Balances to PRIMARY AGENT for reconciliation purposes.

Corporate Information

Corporate Information			
Federal ID/EIN		Principal Name	
Company		Title	
Address		Telephone	
		Fax	
Telephone		Email Address	
Website			

Accounting (Please note our invoices are delivered electronically)			
Contact		Contact <i>(if different)</i>	
Name		Name	
Title		Title	
Address		Address	
Telephone		Telephone	
Facsimile		Fax	
Email		Email	

SEC Counsel (for opinions)			
Firm		Contact	
Address		Telephone	
		Fax	
		Email Address	

Company's General Counsel (if applicable)			
Firm		Contact	
Address		Telephone	
		Fax	
		Email Address	



List of Officers and Directors of Grayscale Investments, LLC Authorized to Provide
Instructions Relating to Issuances of Shares and Corporate Actions
on Behalf of:

Grayscale Ethereum Trust (ETH)

OFFICERS and DIRECTOR SIGNATORIES:

Name	Title	Signature

BOARD of DIRECTORS:

Name	Title

Risk Factors Related to the Custodian Agreement

The risks described below will update the Trust's previously filed risk factors to the extent applicable upon effectiveness of the Custodian Agreement.

Security threats to the Trust's Vault Balance or Settlement Balance could result in the halting of Trust operations, including the creation and redemption of Baskets, and a loss of Trust assets or damage to the reputation of the Trust, each of which could result in a reduction in the value of the Shares.

Security breaches, computer malware and computer hacking attacks have been a prevalent concern in relation to digital assets. The Sponsor believes that the Trust's Ether held in the Vault Balance, as well as the Trust's Ether held temporarily in the Settlement Balance, will be an appealing target to hackers or malware distributors seeking to destroy, damage or steal the Trust's Ether and will only become more appealing as the Trust's assets grow. To the extent that the Trust, the Sponsor or the Custodial Entities are unable to identify and mitigate or stop new security threats or otherwise adapt to technological changes in the digital asset industry, the Trust's Ether may be subject to theft, loss, destruction or other attack.

The Sponsor believes that the security procedures in place for the Trust, including, but not limited to, offline storage, or cold storage, for a substantial portion of the Trust's Ether, multiple encrypted private key "shards", usernames, passwords and 2-step verification, are reasonably designed to safeguard the Trust's Ether. Nevertheless, the security procedures cannot guarantee the prevention of any loss due to a security breach, software defect or act of God that may be borne by the Trust. Additionally, because a portion of the Trust's Ether from time to time will be held in hot storage, such Ether will be more vulnerable to a potential hack or other cyberattack that could lead to a loss of Trust assets.

The security procedures and operational infrastructure may be breached due to the actions of outside parties, error or malfeasance of an employee of the Sponsor, a Custodial Entity, or otherwise, and, as a result, an unauthorized party may obtain access to an Account, the relevant private keys (and therefore Ether) or other data of the Trust. Additionally, outside parties may attempt to fraudulently induce employees of the Sponsor or a Custodial Entity to disclose sensitive information in order to gain access to the Trust's infrastructure. As the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, or may be designed to remain dormant until a predetermined event and often are not recognized until launched against a target, the Sponsor and the Custodial Entities may be unable to anticipate these techniques or implement adequate preventative measures. Moreover, the Custodial Entities will not be liable for any claims or losses arising out of or relating to the acts and/or omissions of any unauthorized third parties, except to the extent such losses are caused by a Custodial Entity's negligence, fraud or willful misconduct.

An actual or perceived breach of an Account could harm the Trust's operations, result in loss of the Trust's assets, damage the Trust's reputation and negatively affect the market perception of the effectiveness of the Trust, all of which could in turn reduce demand for the Shares, resulting in a reduction in the value of the Shares. The Trust may also cease operations, the occurrence of which could similarly result in a reduction in the value of the Shares.

The lack of full insurance and shareholders' limited rights of legal recourse against the Trust, Trustee, Sponsor, Transfer Agent and Custodial Entities expose the Trust and its shareholders to the risk of loss of the Trust's Ether for which no person or entity is liable.

The Trust is not a banking institution or otherwise a member of the Federal Deposit Insurance Corporation ("FDIC") or Securities Investor Protection Corporation ("SIPC") and, therefore, deposits held with or assets held by the Trust are not subject to the protections enjoyed by depositors with FDIC or SIPC member institutions. In addition, neither the Trust nor the Sponsor insure the Trust's Ether.

While the Custodian is required under the Custodian Agreement to maintain insurance coverage that is commercially reasonable for the custodial services it provides, and the Custodial Entities have advised the Sponsor that they maintain insurance at commercially reasonable amounts for the digital assets custodied on behalf of clients, including the Trust's Ether, resulting from theft, shareholders cannot be assured that the Custodian or the Prime Broker will maintain adequate insurance or that such coverage will cover losses with respect to the Trust's Ether. Moreover, while the Custodian maintains certain capital reserve requirements depending on the assets under custody and to the extent required by applicable law, and such capital reserves may provide additional means to cover client asset losses, the Sponsor does not know the amount of such capital reserves, and neither the Trust nor the Sponsor have access to such information. The Trust cannot be assured that the Custodial Entities will maintain capital reserves sufficient to cover losses with respect to the Trust's digital assets. Furthermore, Coinbase has represented in securities filings that the total value of crypto assets in its possession and control is significantly greater than the total value of insurance coverage that would compensate Coinbase in the event of theft or other loss of funds.

Furthermore, the Custodial Entities' aggregate maximum liability with respect to breach of their obligations under the Custodian Agreement will not exceed the greater of: (i) the value of the Ether or cash involved in the event, including but not limited to transaction(s) or deliveries(s), giving rise to such liability at the time of the event giving rise to such liability; (ii) the aggregate amount of fees paid by the Trust to the Custodial Entities in respect of the Custody and Prime Broker Services in the 12-month period prior to the event giving rise to such liability; or (iii) five million U.S. dollars. The Custodian's total liability under the Custodian Agreement will not exceed the greater of: (i) the aggregate amount of fees paid by the Trust to the Custodian in respect of the custodial services in the 12-month period prior to the event giving rise to such liability; or (ii) the value of the Ether on deposit in the Vault Balance at the time of the events giving rise to the liability occurred, the value of which will be determined in accordance with the Custodian Agreement.

In addition, the Custodian's maximum liability in respect of each cold storage address that holds Ether is limited to the "Cold Storage Threshold" of \$100 million. The Sponsor monitors the value of Ether deposited in cold storage addresses for whether the Cold Storage Threshold has been met by determining the U.S. dollar value of Ether deposited in each cold storage address on business days. Although the Cold Storage Threshold has never been met for a given cold storage address, to the extent it is met the Trust would not have a claim against the Custodian with respect to the digital assets held in such address to the extent the value exceeds the Cold Storage Threshold. The Custodial Entities and the Trust are not liable to each other for any special, incidental, indirect, punitive, or consequential damages, whether or not the other party had been advised of such losses or knew or should have known of the possibility of such damages.

The shareholders' recourse against the Sponsor and the Trust's other service providers for the services they provide to the Trust, including those relating to the provision of instructions relating to the movement of Ether, is limited. Consequently, a loss may be suffered with respect to the Trust's Ether that is not covered by insurance and for which no person is liable in damages. As a result, the recourse of the Trust or the shareholders, under New York law, is limited.

The Trust relies on third-party service providers to perform certain functions essential to the affairs of the Trust and the replacement of such service providers could pose a challenge to the safekeeping of the Trust's Ether and to the operations of the Trust.

The Trust relies on the Custodial Entities, the Authorized Participants and other third-party service providers to perform certain functions essential to managing the affairs of the Trust. In addition, Liquidity Providers are relied upon to facilitate the purchase and sale of Ether in connection with creations and redemptions of Shares in cash ("Cash Orders"), and the Transfer Agent and Grayscale Investments, LLC, acting other than in its capacity as Sponsor (in such capacity, the "Liquidity Engager"), are relied upon to facilitate such Cash Orders. Any disruptions to a service provider's business operations, resulting from business failures, financial instability, security failures, government mandated regulation or operational problems, could have an adverse impact on the Trust's ability to access critical services and be disruptive to the operations of the Trust and require the Sponsor or the Liquidity Engager, as the case may be, to replace such service provider. Moreover, the Sponsor could decide to replace a service provider to the Trust, or the Liquidity Engager may decide to replace a Liquidity Provider, for other reasons.

If the Sponsor decides, or is required, to replace Coinbase Custody Trust Company, LLC as the custodian of the Trust's Ether, or Coinbase, Inc. as the prime broker controlling and securing the Trust's Settlement Balance, transfer of the respective maintenance responsibilities of the Vault Balance or the Settlement Balance to another party or parties will likely be complex and could subject the Trust's Ether to the risk of loss during the transfer, which could have a negative impact on the performance of the Shares or result in loss of the Trust's assets.

Moreover, the legal rights of customers with respect to digital assets held on their behalf by a third-party custodian, such as the Custodial Entities, in insolvency proceedings are currently uncertain. The Custodian Agreement contains an agreement by the parties to treat the digital assets credited to the Trust's Vault Balance and Settlement Balance as financial assets under Article 8 in addition to stating that the Custodian will serve as fiduciary and custodian on the Trust's behalf with respect to the Trust's Ether held in the Vault Balance, and that any Ether credited to the Settlement Balance will be treated as custodial assets.

The Custodial Entities' parent, Coinbase Global, has also stated in its most recent public securities filings that in light of the inclusion of provisions relating to Article 8 in its custody and prime broker client agreements, it believes that a court would not treat custodied digital assets as part of its general estate in the event the Custodial Entities were to experience insolvency. However, due to the novelty of digital asset custodial arrangements courts have not yet considered this type of treatment for custodied digital assets and it is not possible to predict with certainty how they would rule in such a scenario. Moreover, the Custodian and the Prime Broker are potentially subject to different insolvency regimes and there is no assurance that the digital assets credited to the Trust's Settlement Balance would be treated similarly to those credited to the Trust's Vault Balance in an insolvency, notwithstanding the rights and obligations conferred under the Custodian Agreement or Coinbase Global's views regarding the treatment of such assets under Article 8. In the event that the Custodian or the Prime Broker and/or Coinbase Global became subject to insolvency proceedings and a court were to rule that the custodied digital assets were part of the Custodian's, the Prime Broker's and/or Coinbase Global's general estate and not the property of the Trust, then the Trust would be treated as a general unsecured creditor in such insolvency proceedings and the Trust would be subject to the loss of all or a significant portion of its assets.

In addition, the Custodian is a fiduciary under § 100 of the New York Banking Law and a qualified custodian for purposes of Rule 206(4)-2(d)(6) under the Investment Advisers Act and is licensed to custody the Trust's Ether in trust on the Trust's behalf. However, the SEC has recently released proposed amendments to Rule 206(4)-2 that, if enacted as proposed, would amend the definition of a "qualified custodian" under Rule 206(4)-2(d)(6). Executive officers of the Custodian's parent company have made public statements indicating that the Custodian will remain a qualified custodian under the proposed SEC rule, if enacted as currently proposed. However, there can be no assurance that the Custodian would continue to qualify as a "qualified custodian" under a final rule.

To the extent that Sponsor is not able to find a suitable party willing to serve as custodian, the Sponsor may be required to terminate the Trust and liquidate the Trust's Ether. In addition, to the extent that the Sponsor finds a suitable party and must enter into a modified or separate custody agreement that is less favorable for the Trust or Sponsor and/or transfer the Trust's assets in a relatively short time period, the safekeeping of the Trust's Ether may be adversely affected, which may in turn adversely affect value of the Shares. Likewise, if the Sponsor and/or Grayscale Investments, LLC is required to replace any other service provider, they may not be able to find a party willing to serve in such capacity in a timely manner or at all. If the Sponsor decides, or is required, to replace an Authorized Participant and/or if the Liquidity Engager decides, or is required, to replace a Liquidity Provider, this could negatively impact the Trust's ability to create new Shares, which would impact the Shares' liquidity and could have a negative impact on the value of the Shares.

If the Custodian resigns or is removed by the Sponsor or otherwise, without replacement, it would trigger early termination of the Trust.

A Custodial Entity may terminate the Custodian Agreement for Cause (as defined in the Custodian Agreement) at any time or upon one hundred eighty days' prior written notice to the Trust, as provided under the Custodian Agreement. If the Custodian resigns or is removed by the Sponsor or otherwise, without replacement, the Trust will dissolve in accordance with the terms of the Trust Agreement.