

Deposit Regulations – Conditions for the Storage of Precious Metals Conditions Governing the Safekeeping of Precious Metals

The terms 'he', 'his' and 'him' in the following apply to both females and males.

pro aurum Schweiz AG (hereinafter referred to as "pro aurum") provides safekeeping for precious metals. These Conditions shall apply, along with the General Terms and Conditions, Terms of Delivery and Payment, to precious metals entrusted to pro aurum for deposit. The following provisions, and those of the Depository Agreement pursuant to art. 472 ff., Swiss Code of Obligations, shall apply.

I. Conclusion of contract

1. Customers and other interested parties wishing to store precious metals shall submit to pro aurum a Purchase Order for Precious Metals for Safekeeping and an Application for Safekeeping of Precious Metals. The safekeeping agreement for precious metals shall be effective from the date of issuance, by pro aurum, of a notice of acceptance, or order confirmation, of the application and its contents. pro aurum may reject applications or receipt of precious metals from customers or other interested parties without stating a reason. For administrative reasons pro aurum may not be able to accept for storage all precious metals customer may have acquired from the pro aurum subsidiary.

II. Acquisition by ownership agreement

2. Precious metals purchased by customer and delivered to a vault of choice shall be subject to an ownership agreement between pro aurum and customer that specifies pro aurum's transfer of ownership of the precious metals to customer, with customer assuming ownership. Accordingly, ownership of the precious metals purchased by customer changes from pro aurum to customer at the time of delivery to the chosen vault. At that time customer becomes independent owner of record of the precious metals in question, with pro aurum acting as custodian and holder of such precious metals.

III. Manner of storage, collective deposit

3. Depending on the type of storage selected by customer on the Purchase Order for Precious Metals for Safekeeping and the Application for Safekeeping of Precious Metals, it shall be either (i) collective storage or (ii) storage with allocation of individual precious metal bar numbers. Failing specific instruction from customer on the manner of storage, the precious metals shall be stored by category in collective storage in Switzerland. After receipt of payment and all relevant, signed, original documentation, on physical delivery of the precious metals into the chosen storage type, pro aurum shall transmit a confirmation of deposit to customer containing the designation of the precious metals accepted for storage and the type of storage.

4. In cases of collective storage, pro aurum may store, according to category, in customer's name and at customer's expense and risk, customer's precious metals (i) at its own storage facility, or (ii) at a depository of its choice outside its premises. Customer may indicate on the Purchase Order for Precious Metals for Safekeeping that he wishes external storage/deposit either in Switzerland (at the high security precious metals vaults of the (i) Embrach Bonded Warehouse or the (ii) Embrach Domestic Warehouse) or in Hong Kong, at the HKSAR Hong Kong Special Administrative Region.

5. In the case of bar numbers being assigned to stored precious metals at the express wish of customer, customer acknowledges their storage at the Embrach Bonded Warehouse in the high security precious metals vault of depository institution RHK Schweiz GmbH, Zürichstrasse 59, CH-8840 Einsiedeln, Switzerland, and entered in the commercial register of the Canton of Schwyz under company number CH-130.4.016.447-9.. Upon delivery of precious metals purchased by customer to the high security precious metals vault, pro aurum shall, by month's end, email to customer a list of the bar numbers of the precious metals purchased. Therefore upon delivery of the precious metals to the high security precious metals vault, a precise record of the bar numbers concerned is established, meaning these precious metals are not stored in collective storage. Rather, RHK stores them in such a way that ownership of customer's bars can be readily determined at any time. Furthermore, RHK shall store deposited bars in such a way that each numbered bar is assigned a specific location in the high security precious metals vault. RHK may neither use these stored precious metals for its own purposes nor make them available to a third party in any manner whatsoever.

6. Deposits may consist of gold, silver, palladium or platinum. Storage in Switzerland takes place in a warehouse with high security vaults (Bonded Warehouse/Domestic Warehouse Embrach). A condition for collective storage is a minimum deposit amount of CHF 10,000 or the EURO (€) or US dollar (US\$) equivalent. Safekeeping of precious metals with individual bar number allocation is possible only at the Zurich Embrach Bonded Warehouse, and contrary to the Bonded Warehouse Price List, only for specific precious metals (gold, silver, platinum and palladium) weighing no less than 1 kg in the case of gold, platinum and palladium, or 15 kg for silver bars, with a minimum deposit amount of CHF 100,000 or its EURO (€) or US dollar (US\$) equivalent (available at www.proaurum.ch).

7. In the case of deposits in Hong Kong, pro aurum uses a local storage facility of its choice; only precious metals previously purchased from pro aurum shall be accepted for deposit (cf. precious metals available at www.proaurum.hk). Silver bars are defined as "standard bars", their weights ranging from 28-32 kg, depending on exigencies of production.

8. Precious metals owned by customer are always stored separate from pro aurum's own stocks. pro aurum and the service provider of its choice at the Hong Kong storage facility may neither make use of customers' precious metals nor make them available to third parties in any way.

9. pro aurum or the service provider of its choice provides no administrative services beyond storage of the precious metals.

10. pro aurum is authorized to return a reasonable replacement of the same kind for collectively stored precious metals. No claim to specific years of production or specific manufacturers exists. In particular, in the case of in-person retrieval of purchased standard silver bars at the Hong Kong storage facility, the customer shall not be entitled to receive standard silver bars weighing exactly 31.5 kg (see also article IV. 18.).

11. Customer shall retain ownership of the precious metals regardless of storage location. Customer is co-owner of the collective deposit volume in proportion to the precious metals logged under his name except for storage with allocated bar numbers, in which case bars in the customer's deposit shall be clearly identified.

12. Customer's precious metals deposited in Hong Kong shall be kept in pro aurum's name at the selected service provider's collective repository. Customer's claim for possession is vis-à-vis pro aurum only, and does not extend to the service provider selected by pro aurum.

13. pro aurum shall submit to customer an annual statement of his precious metals in its keeping, usually at year's end. The statement shall be considered as correct and approved if no opposition is made regarding its content within a month from the mailing date.

IV. Duration

14. As a rule, the contract is of unlimited duration. Its legal conditions shall survive customer's death, incapacity or bankruptcy.

15. Customer or pro aurum may dissolve the safekeeping contract at any time, by written instruction. Stored precious metals may either be purchased from customer or delivered to him at his expense and according to his written instructions. Should customer fail to give pro aurum such instructions within 14 days of his written intent to dissolve the storage agreement, pro aurum may send the precious metals to the last known address or purchase the precious metals in question and transfer the purchase price to the customer's most recent bank account known to it. Customer may not lodge any claims whatsoever against pro aurum resulting from such a transfer. Customer waives to assert rights in advance.

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V. Retrieval

16.

Customer may demand return of his stored precious metals from pro aurum at any time. The storage facility selected (in Switzerland or Hong Kong) may determine means and conditions of retrieval (pickup or delivery) for stored precious metals.

17.

Upon termination of the storage of precious metals at the Embrach storage facility (Bonded Warehouse resp. Domestic Warehouse), customer may:

- either, after a seven-day period of notice, retrieve them in person at pro aurum's Kilchberg domicile. A 14-day notice period shall apply to precious metals with allocated bar numbers stored by RHK; or
- offer to pro aurum the metals in question at the market price;
- or request delivery of the precious metals through a logistics or valuable-cargo logistics company to himself or a third party who shall present a power of attorney.

18.

Storage in Hong Kong: Retrieval by customer of precious metals stored in Hong Kong shall be on site, that is, in Hong Kong. pro aurum cannot entrust a valuable-cargo logistics company with shipment from Hong Kong. pro aurum may be requested to obtain from a valuable-cargo logistics company an offer for shipment of precious metals to a specific destination. Pick-up of precious metals in Hong Kong, in person or by an authorized third party, shall be contingent upon personal coordination with pro aurum to enable it to instruct its service provider to hand over the precious metals. Please note that when a silver bar (whose weight, due to production exigencies, may vary from 28-32 kg) is picked up in person, customer shall not be entitled to delivery of a standard bar at the invoiced standard weight of 31.5 kg. When customer collects the purchased standard bar, if its weight exceeds 31.5 kg due to production exigencies, customer shall pay the value difference at the time of retrieval. If the weight is below 31.5 kg, pro aurum shall pay to customer at the time of retrieval the value difference based on the market price at the time of purchase. Hand-over of the stored standard silver bar(s) shall be contingent upon customer's payment of the balance having been credited to pro aurum's account.

The following note to customer makes no assumption of either completeness or accuracy

Should customer, upon physical collection of the precious metals (gold/silver), export them from the Hong Kong Special Administrative Region, they are subject to declaration. Please note that the Customs and Excise Department levies export declaration charges on silver bars. Provided certain conditions are met, gold bars are exempt from export declaration charges. Hong Kong Customs and Excise Department can provide further details regarding export declaration, charges and their amounts. Following export out of the Hong Kong Special Administrative Region, the import conditions of the importing country must be taken into account.

Alternatively and instead of in-person retrieval of precious metals in Hong Kong, customer may offer his precious metals for sale to pro aurum at the current market price; invoicing shall, in this case, be based on the reference weight of 31.5 kg.

19.

Customer shall be liable for retrieval and shipping costs, including insurance, packing, taxes, charges, fees, duties and other expenditures which are due at the time the precious metals are retrieved. If the Hong Kong logistics company for valuable cargo suggested by pro aurum is used, the agreement shall be between customer and the valuable-cargo logistics company.

20.

Embrach Bonded Warehouse: When precious metals leave the Embrach Bonded Warehouse for delivery, they enter Swiss sovereign territory. Accordingly, customs duties are incurred. White metals from the Zurich Bonded Warehouse (silver, platinum, palladium) liable to tax also incur value-added tax at the rate current at the time (presently 8%). Tax due is based on the value of the precious metals at the time of retrieval from the bonded warehouse. Goods subsequently exported from Switzerland are subject to the import country's export/import conditions. Regarding export from Switzerland, customer shall inform himself of applicable conditions, and pay all government taxes, fees and charges levied by the Swiss Federal Tax Administration and/or other Swiss and/or foreign authorities. Pro aurum shall incur no obligation regarding fees and charges it advances. Such fees and charges shall be refunded to pro aurum in full. A shipment's value and weight determine the amount of logistics charges. In-person retrieval of goods may be effected either in Kilchberg or at the Zurich Bonded Warehouse, as needed.

VI. Power of attorney; death

21.

Should customer wish to authorize a third party, he shall submit to pro aurum the Power of Attorney form (see Power of Attorney, Safekeeping). The form shall be signed in the presence of a pro aurum employee, or alternately the customer's signature shall be notarized. For security reasons the third party shall be introduced in person if possible and/or a copy of a valid identification document shall be handed over to pro aurum (personal ID or passport). Should personal introduction not be possible, a notarized signature of the third party shall be submitted. pro aurum reserves the right to refuse recognition of a third party. Should the third party be recognized, the same conditions as for the customer apply.

22.

The individual thus authorized shall neither transfer the power of attorney nor issue a subsidiary power of attorney.

23.

Powers of attorney may be revoked with future effect by registered letter to pro aurum. Revocation shall be effective from the time of receipt by pro aurum of said registered letter. A power of attorney valid until the customer's demise loses its validity from the time pro aurum has been notified of the customer's passing.

24.

Upon a customer's death, the heir(s) shall identify himself/themselves. Pro aurum may deem an individual designated as heir in the certificate of inheritance, or an entitled individual, as authorized, and entitled to be the recipient of performance of the contractual obligation in question. If so requested by pro aurum, foreign-language certificates shall be presented together with a (notarized) translation into German. The heirs may, by joint declaration, award power of attorney to a third party, subject to the provisions of previous articles.

VII. Termination

25.

Should the contract be terminated, the provisions listed under V. Retrieval shall apply to the retrieval of the stored precious metals.

26.

Should pro aurum terminate the contract with customer and should said customer fail to instruct pro aurum regarding delivery of the precious metals to a repository of his choice, pro aurum may deliver the precious metals to the last known address. Customer shall not be entitled to lodge any claims whatsoever against pro aurum resulting from such a transfer. Customer waives to assert rights in advance.

27.

Should customer fail to collect the precious metals on termination of storage, pro aurum shall charge an additional monthly fee based on the average value of the stored precious metals, pro-rated for the year.

VIII. Charges

28.

pro aurum's storage fee will be based on current storage rates (cf. Storage Rates and Minimum Deposits, available at www.proaurum.ch). Volume and average market price of the precious metals in question for the time of pro aurum's invoicing period determine the amount. Storage fees shall be paid semi-annually, on January 1 and July 1. Fees for storage of less than one year shall be pro-rated. Fees shall be due at the time of agreement termination.

29.

pro aurum may charge any and all expenditures connected with the storage of customer's precious metals by means of semi-annual statements (issued end of June and end of December). pro aurum may invoice to customer its charges or those of third parties in connection with the storage.

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30.
Customer shall fully indemnify pro aurum against any and all claims arising from his precious metals in its care.

IX. Liability

31.
pro aurum shall extend the same care to customers' precious metals as it extends to its own. pro aurum's liability shall be limited to damages due to gross negligence or unlawful intent on pro aurum's part and substantiated by customer. pro aurum shall not be liable for damages due to force majeure, riot, war or force of nature, or to other events for which it is not answerable (e.g. strike, lock-out, traffic disruption, instructions by higher authority at home or abroad), or to technical problems not caused through its own fault (such as by IT systems).

32.
The above exceptions and limitations to liability shall apply equally to employees, subcontractors and other third parties in pro aurum's employ to fulfill its contractual obligations.

33.
Customer shall check the stored precious metals for defects at the time of retrieval and state such defects on site immediately.

X. Insurance

34.
pro aurum shall insure the precious metals at its expense against theft and fire damage. The same obligation shall apply to RHK with regard to the storage of precious metals with allocated bar numbers

XI. Changes to the Conditions

35.
pro aurum may change these Conditions at any time. Changes shall be communicated to customer in an appropriate manner and, barring objections received within a month since announcement, shall be considered approved. Should customer reject the changes, in writing, storage shall be considered as terminated and the precious metals either purchased or delivered/ handed over, at customer's expense, according to customer's instructions.

XII. Applicable law and place of jurisdiction

36.
Exclusive place of jurisdiction for all proceedings shall be the domicile of pro aurum Schweiz AG.
However, pro aurum may file suit at customer's place of legal domicile or at any other competent court, reserve the right, any mandatory jurisdictions shall apply.

37.
Applicable law: Swiss law, excluding UN Convention on Contracts for the International Sale of Goods (CISG).

38.
If any term or condition of this regulation is null and void or will become null and void, then all other terms and conditions shall remain in full force and effect.

Kilchberg, December 2015