HANetf ETC Securities plc

(*incorporated as a public company with limited liability under the laws of Ireland*)

BASE PROSPECTUS FOR THE ISSUE OF METAL SECURITIES

This base prospectus is dated 31 January 2020

The Directors of HANetf ETC Securities plc whose names appear in the Directory below accept responsibility for the information contained in this Base Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This document constitutes a base prospectus for the purposes of the Prospectus Regulation and has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority thereunder. The Central Bank only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Metal Securities that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of any investment in Metal Securities.

The Central Bank's approval relates only to the Metal Securities which are to be admitted to trading on a regulated market for the purpose of the Markets in Financial Instruments Directive 2014/65/EU of the European Parliament and of the Council on Markets in Financial Instruments, as amended, ("**MiFID2**") and/or which are to be offered to the public in any member state of the European Economic Area. To the extent required, this Prospectus as approved by the Central Bank will be filed with the Companies Registration Office in Ireland.

The Issuer has requested the Central Bank to notify the approval of the Prospectus in accordance with Article 25 of the Prospectus Regulation to the relevant competent authorities in the United Kingdom, Germany, Italy, the Netherlands, Luxembourg and Finland by providing each of them with (amongst other things) certificates of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation. The Issuer may request the Central Bank to provide competent authorities in other EEA States with such certificates whether for the purposes of making a public offer in such EEA States or for admission to trading of all or some Metal Securities on a regulated market therein.

This Prospectus is valid for one year and may be supplemented or replaced from time to time to reflect any significant new factor, material mistake or inaccuracy relating to the information included in it. A copy of this document, which comprises a base prospectus relating to the Metal Securities of each type in compliance with Article 3 of the Prospectus Regulation as in force at the Prospectus Date has been made available to the public in accordance with Article 21 of the Prospectus Regulation.

Application may be made to the FCA for the Metal Securities issued under this Programme to be admitted to the official list of the FCA. Application may be made to the London Stock Exchange plc (the "**London Stock Exchange**") for the Metal Securities issued under this Programme to be admitted to trading on the Main Market of the London Stock Exchange.

Application may be made to the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse) (the "**Frankfurt Stock Exchange**") for Metal Securities issued under this Programme to be admitted to listing and trading on the Regulated Market of the Frankfurt Stock Exchange.

Application may be made to the Italian Stock Exchange (Borsa Italiana) (the "**Italian Stock Exchange**") for Metal Securities issued under this Programme to be admitted to the official list of the Italian Stock Exchange and to be admitted to listing and trading on the Italian Stock Exchange, ETF plus market.

References in this Prospectus to Metal Securities being "**listed**" (and all related references) shall mean that such Metal Securities have been admitted to trading on either of (i) the London Stock Exchange; (ii) the Frankfurt Stock Exchange; (iii) the Italian Stock Exchange; and/or (iv) an alternative market, which are each regulated markets for the purposes of MiFID2.

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SECTION 1 – IMPORTANT INFORMATION RELATING TO THE PROGRAMME

A. What is this document?

1.1 This base prospectus (the "**Prospectus**") is issued in respect of the physical metal securities programme (the "**Programme**") for the issue of Metal Securities by HANetf ETC Securities plc (the "**Issuer**").

1.2 This Prospectus describes the material risks of an investment in Metal Securities. However, this Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer (or any other Programme Party) that any recipient of this Prospectus should purchase the Metal Securities.

B. What securities are being issued pursuant to this Prospectus?

1.3 This Prospectus relates to the issue of Metal Securities which are secured limited recourse debt obligations of the Issuer. As at the Prospectus Date, the Issuer is making available for issue the following Class of Metal Securities:

(a) The Royal Mint Physical Gold ETC Securities.

1.4 Metal Securities are designed to track the price of individual precious metals (for example, gold) and to provide investors with a return equivalent to the spot price of the relevant underlying metal less the applicable fees. The aggregate number of Metal Securities issued under the Programme will not at any time exceed 10,000,000,000, this being the Programme Maximum Number of Metal Securities.

1.5 Metal Securities are complex products involving a significant degree of risk and may not be suitable or appropriate for all types of investor. Investors may lose some or all of their investment. It is advisable that persons wishing to invest seek appropriate financial, tax and other advice from independent financial advisors with appropriate regulatory authorisation and qualifications.

1.6 **IT IS IMPORTANT THAT AN INVESTOR CAREFULLY READS, CONSIDERS AND UNDERSTANDS THIS PROSPECTUS BEFORE MAKING ANY INVESTMENT IN METAL SECURITIES.** For a discussion of certain factors regarding the Issuer and the Metal Securities that should be considered by potential investors considering an investment in Metal Securities, see **Section 2 – Risk Factors**.

C. What information is contained in this document?

1.7 This Prospectus is intended to provide a prospective investor with the necessary information relating to the Issuer and the Metal Securities required to enable them to make an informed assessment of the prospects of the Issuer (including its financial position) and the rights attaching to the Metal Securities.

1.8 The rights attaching to the Metal Securities are contained in the Conditions set out under **Section 11 – Terms and Conditions of Metal Securities** and are completed by the Final Terms (defined below) specific to a particular issue of Metal Securities which will be published and delivered to the Central Bank before such Metal Securities are issued. Worked examples of how an investor can calculate the value of its investment are set out in **Section 8 – Determining the Value of an Investment in Metal Securities**.

1.9 Also set out in this Prospectus are details of:

(a) the risks relating to an investment in Metal Securities (Section 2);

(b) the structure of the Programme (Section 3);

(c) a description of the Issuer (Section 6); and

(d) the terms of any material contracts of the Issuer (Section 7).

1.10 A detailed breakdown of the contents of this Prospectus is set under the heading "**Contents**", above.

1.11 The language of this Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law. In case there is any discrepancy between the English text and text written in any other language (whether as a translation of this Prospectus or otherwise), the English text stands approved for the purposes of approval for the Prospectus Regulation.

D. How do the Final Terms interact with this document?

1.12 The Issuer issues Metal Securities on the terms set out in this document, as completed by the final terms in respect of the relevant Metal Securities (the "**Final Terms**"). The Final Terms set out information specific to the Metal Securities to which they relate, including the underlying precious metal of the Metal Securities, the price, class, number and applicable fees.

E. What other information should a prospective investor consider?

1.13 Prospective investors should ensure that they review the Prospectus and the Final Terms. A copy of this Prospectus and any Final Terms issued are available at the Issuer's Website, which at the Prospectus Date is www.hanetf.com/royalmint. As at the Prospectus Date, no documents are incorporated by reference in the Prospectus and unless specifically stated otherwise, no documents, including the contents of any websites or web pages referred to in this Prospectus, form part of this Prospectus for purposes of the Prospectus Regulation. Where reference is made to a website in this Prospectus, the contents of that website shall not form part of this Prospectus. To the extent that any documents are incorporated by reference in the Prospectus after the Prospectus Date, such documents will be made available at the Issuer's Website.

F. Important Information Relating to the Programme

RESTRICTIONS

1.14 The circulation of the Prospectus and any Final Terms and the marketing, sale and delivery of Metal Securities may be restricted by law in certain jurisdictions. The Issuer requires all persons who come into possession of this Prospectus or any Final Terms to inform themselves of and to observe any such applicable restrictions. For a description of certain restrictions on offers and sales of Metal Securities and on the distribution of this Prospectus or any Final Terms, see **Section 14 – Selling Restrictions**.

1.15 The Metal Securities have not been and will not be registered under the United States Securities Act of 1933 (the "**Securities Act**"), as amended, or under the securities laws of any states of the United States. Except in a transaction exempt from the registration requirements of the Securities Act and applicable United States securities laws, the Metal Securities may not be directly or indirectly offered, sold, taken up, delivered or transferred in or into the United States. See **Section 14 – Selling Restrictions** for more information.

TRADING THE METAL SECURITIES

1.16 The Central Bank's approval of this Prospectus relates only to the Metal Securities which are to be admitted to trading on a Relevant Stock Exchange or which are to be offered to the public in any EEA State (see "**Listing, Trading and Passporting**" in **Section 3 – Description of the Programme**).

RESPONSIBILITY FOR INFORMATION CONTAINED IN THIS PROSPECTUS

1.17 The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the Issuer's knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the reliability of such information. The Issuer has taken all reasonable care to ensure that such is the case.

NO INVESTMENT ADVICE

1.18 Nothing in this document or anything communicated to holders or potential holders of the Metal Securities or other obligations by the Issuer is intended to constitute or should be construed as advice on the merits of the purchase of Metal Securities or the exercise of any rights attached thereto.

1.19 None of the Issuer, any Authorised Participants, the Trustee, the Security Trustee, the Custodian or any other Programme Party makes any representations as to:

(a) the suitability of any Metal Securities for any particular investor;

(b) the appropriate accounting treatment or possible tax consequences of an investment in any Metal Securities; or

(c) the expected performance of any Metal Securities, either in absolute terms or relative to competing investments.

INVESTORS MAY WISH TO OBTAIN INDEPENDENT ADVICE

1.20 Prospective Securityholders may therefore wish to obtain their own independent accounting, tax and legal advice and may wish to consult their own professional investment advisers to ascertain the suitability, merits and risks of an investment in Metal Securities.

USE OF PROCEEDS

1.21 The net proceeds from the issue of Metal Securities will be an amount of Underlying Metal which will be held in Secured Allocated Accounts in respect of such Metal Securities. Such Underlying Metal shall be used to meet the Issuer's obligations under the relevant Metal Securities.

INFORMATION CONTAINED IN THIS PROSPECTUS

1.22 The delivery of this Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other financial statements or any further information supplied pursuant to the terms of the Programme or any of the Metal Securities is correct as of any time subsequent to the date indicated in the document containing the same.

NO GUARANTEE

1.23 The Metal Securities are solely obligations of the Issuer and will not be guaranteed by, or be the responsibility of, any other entity.

G. Supplementary Prospectus

1.24 If at any time the Issuer is required to prepare a supplementary prospectus pursuant to Article 23 of the Prospectus Regulation the Issuer shall prepare and make available an appropriate amendment or supplement to this Prospectus.

SECTION 2 – RISK FACTORS

2.1 An investment in Metal Securities involves a significant degree of risk. Prior to making an investment decision, prospective investors should carefully read the entire Prospectus, including the risk factors set out below, as well as conducting their own independent analysis, in order to reach their own views prior to making any investment decision.

2.2 Factors which the Issuer believes may be material for the purpose of assessing the risks associated with Metal Securities are described below. However, the Issuer does not represent that the risk factors set out below are exhaustive and a Securityholder may lose some or the entire value of its investment for reasons other than those set out in the risk factors below, (for example reasons not currently considered by the Issuer to be material or based on circumstances or facts of which the Issuer is not currently aware).

2.3 The below risk factors are split into the following categories:

A. Market Price of the Metal Securities

B. Risks Relating to the Underlying Metal

C. Risks Relating to the Custodian and the Metal Agent

D. Operational Risks

E. Risks Relating to Security

F. Risks Relating to the Issuer and its Legal Structure

G. VAT and Tax Risks Relating to an Investment in Metal Securities

H. Risk Relating to Legal Matters

A. Market Price of the Metal Securities

Risk of Adverse Price Movements

2.4 The price of Metal Securities will be affected by a number of factors that are not within the Issuer's control, including:

(a) the value and volatility of the Underlying Metal and Metals in general (see Risk Relating to the Underlying Metal, below);

(b) market perception, interest rates, yields and foreign exchange rates;

(c) the creditworthiness of the Programme Parties; and

(d) liquidity in the Metal Securities On-Exchange (see paragraph 2.11, below for more information).

2.5 Prospective investors should be aware that the secondary market price of the Metal Securities can go down as well as up throughout the life of the Metal Securities. Prospective investors should be aware that the market price of the Metal Securities on any day may not reflect their prior or future performance.

2.6 As a result of adverse price movements, a Securityholder may lose the value of its entire investment or part of its investment in Metal Securities.

Currency Risk

2.7 The price of Metal Securities will be calculated in the Relevant Currency, being, as at the Prospectus Date, US Dollars. To the extent that a Securityholder values Metal Securities in another currency, that value may be affected by changes in the exchange rate between the Relevant Currency and that other currency.

Secondary Market and Liquidity Risk

2.8 At any time, the price at which Metal Securities trade on a Relevant Stock Exchange (or any other exchange or market on which they may be quoted or traded) may not reflect accurately the value of the Underlying Metal that backs such Metal Securities.

2.9 The Subscription and Redemption procedures for Metal Securities are intended to minimise this potential difference. However, the market price of Metal Securities will be a function of supply and demand amongst investors wishing to buy and sell Metal Securities and the bid-offer spread that market-makers are willing to quote for Metal Securities.

2.10 Metal Securities may trade at a premium. Investors who pay a premium risk losing the premium if demand for Metal Securities abates. For example, Authorised Participants have the right to request that the Issuer issue further tranches of Metal Securities. If this request is accepted by the Issuer, this will increase supply and could reduce any such premium.

2.11 Investors are dependent on there being Authorised Participants making a market in Metal Securities to minimise the difference between the secondary market price and the value of the Metal Securities, and to provide investors with liquidity. There can be no assurance as to the depth of the secondary market (if any) in Metal Securities, which could affect their liquidity and market price.

2.12 An Authorised Participant is under no obligation to make a market in Metal Securities and it is impossible to guarantee that one or more Authorised Participants would purchase Metal Securities on a given day and/or at a particular price, which may result in a lack of liquidity at any given time.

2.13 If there is limited liquidity, the price at which a Securityholder may be able to sell its Metal Securities at any time may be substantially less than the price paid by that Securityholder for the same Metal Securities.

B. Risk Relating to the Underlying Metal

Risks Relating to Price of Underlying Metal

2.14 The Metal Securities are linked to precious metals. Prospective investors should note that the value of a Class of Metal Securities will be affected by movements in the price of the Underlying Metal.

2.15 The price of Metal fluctuates widely and is affected by numerous factors beyond the Issuer's control, including:

(a) global or regional political, economic or financial events and situations;

(b) investors' expectations with respect to the future rates of inflation and movements in world equity, financial and property markets;

(c) global supply and demand of the relevant markets, which is influenced by such factors as mine production and net forward selling activities by producers, central bank purchases and sales, jewellery demand and the supply of recycled jewellery, net investment demand and industrial demand, net of recycling;

(d) political and economic instability in the locations where the Metal is produced, potentially impacting purchaser confidence, supply and demand, and, ultimately, the price of the Metal;

(e) interest rates and currency exchange rates, particularly the strength of and confidence in the US Dollar; and

(f) investment and trading activities of hedge funds, commodity funds and other speculators.

2.16 Movements in local and international markets and factors that affect the investment climate and investor sentiment could all affect the level of trading and, therefore, the market price of Metal Securities and this may lead to a fall in the price of Metal Securities which will have an adverse impact on any investor that purchased the Metal Securities at a higher price.

2.17 Central banks, other government agencies and supranational organisations, such as the International Monetary Fund, that buy, sell and hold precious metals as part of their reserve assets may decide to sell a portion of their assets, which are not normally subject to use in the open market. A number of central banks, including the Bank of England, have sold significant portions of gold over the last 20 years, which has meant that governmental and supranational organisations have generally been a net supplier to the open market. If there are sales of gold or other precious metals by the public sector to the private sector there may be an excess of supply over demand, leading to a lower price on the open market for a relevant precious metal and consequently a decrease in the value of the Metal Securities.

2.18 Adverse movements in the price of Metal may negatively affect the return to Securityholders who sell their Metal Securities when the price of the relevant Metal has decreased since the time they purchased their Metal Securities.

Shortage of Metal

2.19 Metal markets have the potential to suffer from market disruption or volatility caused by shortages of physical metal. Such events could result in sudden increases in Metal prices for a short period (also known as price spikes).

2.20 Price spiking can also result in volatile forward rates and lease rates which could result in the bid/offer spread in the Metal Securities on any Relevant Stock Exchange to widen, reflecting short-term forward rates in the Metal.

2.21 There has been growth of investment products offering investors an exposure to precious metals (including products similar to the Metal Securities) which has had an impact on the supply and demand profile of the precious metals market. Changes in supply and demand for these types of investment products will directly impact the supply and demand for the underlying precious Metal. This may have the effect of increasing volatility in the price and supply of the precious metal.

2.22 Products such as the Metal Securities require the purchase and sale of the precious metal, and, depending on the success of such products, this may lead to a substantial increase in the volume of transactions, which will ultimately have an effect on the price of the Metal Securities.

C. Risks Relating to the Custodian and the Metal Agent

Risks Relating to the Secured Unallocated Accounts

2.23 While the Issuer has put in place arrangements to minimise the holding of Metal in Secured Unallocated Accounts (including issuing the Metal Securities only after the underlying Metal has been allocated to the Secured Allocated Accounts), a portion of the Metal will be held in the Secured Unallocated Accounts – in each case for a short period of time – to help maximise the efficiency of the Subscription and Redemption process.

2.24 Unlike the Metal held in a Secured Allocated Account (which the Issuer has full title to), Metal held in the Secured Unallocated Accounts does not give proprietary rights to specific bars of Metal. Instead, pursuant to the terms of the Secured Unallocated Custody Agreement, the Custodian has a contractual obligation to transfer the amount of Metal held in those accounts. This means that the Securityholder's position is that of an unsecured creditor (in other words, the Custodian owes the Securityholder a debt in respect of its general entitlement to the relevant amount of Metal held in the Secured Unallocated Account).

2.25 If the Custodian were to become insolvent, then the Issuer will rank as an unsecured creditor of the Custodian in respect of such Metal sitting in unallocated form in the Secured Unallocated Accounts. In this scenario, the Custodian's assets may not be sufficient to satisfy a claim by the Issuer, the Trustee or the Security Trustee for the amount of Metal held in the relevant Secured Unallocated Account, which could result in a loss to the Securityholders.

Risks Relating to the Secured Allocated Accounts

2.26 The Issuer's ability to meet its obligations with respect to the Metal Securities will be dependent upon the performance by the Custodian of its obligations under the relevant Custody Agreement in relation to the Underlying Metal and the Secured Accounts. Pursuant to the terms of the Custody Agreements, Metal may also be held with a Sub-custodian (such Sub-custodian being regulated by the FCA and/or the PRA with Vaults in the United Kingdom), who will have entered into a sub-custody agreement with the Custodian. Depending on the precise relationship between the Custodian and the Sub-custodian pursuant to such agreement (which the Issuer is not party to), the Custodian may be subject to the credit risk of the Sub-custodian.

2.27 In the event of an insolvency of the Custodian or any relevant Sub-custodian, the allocated Metal held by the Custodian (or any relevant Sub-custodian) in the relevant Secured Allocated Account for the benefit of the Issuer should be protected as such Metal should be identified separately from the assets of the Custodian, any relevant Sub-custodian and its other clients. However, there can be no assurance that the Issuer will be able to obtain delivery of and/or realise the Metal (whether in full or in part) held in the Secured Allocated Account(s) with the Custodian or relevant Sub-custodian on a timely basis. In addition, the Issuer could incur expenses in connection with having to assert its claims against the relevant Metal, even where it can ascertain that it has title to such Metal.

2.28 Although the Custodian is required to allocate (and provide a daily Bar List of all such allocated Metal) and segregate Metal held for the Issuer from any assets held by the Custodian for other clients and the Custodian's own assets, (and the Custodian is required to ensure that the Sub-custodians allocate and segregate Metal held for the Custodian (and marked as relating to the Issuer) from any assets held for other clients and the Sub-custodian's own assets), Securityholders will be at risk if the Custodian or any relevant Sub-custodian does not, in practice, maintain such a segregation.

Access Risk

2.29 In order to effect a Subscription or Redemption, Metal may be transferred between different locations across the United Kingdom. In respect of The Royal Mint Physical Gold ETC Securities, Underlying Metal will be held in the Royal Mint Limited's Vault (located in Wales), and will be transferred to a Securityholder Metal Account (loco London) to effect a Redemption. Once the Metal is allocated (and therefore becomes Underlying Metal) this Metal will be held in the Secured Allocated Accounts which will be held by the Custodian at its Vault or in the Vaults of a Sub-custodian appointed by the Custodian (or by a delegate of a Sub-custodian provided that it is regulated by the FCA and/or the PRA). Access to such Metal, whether in transit or when held in a Vault could be lost, or at least restricted, by natural events, such as flooding, or human actions, such as a terrorist attack.

2.30 If such transit and/or access risk causes or contributes to the loss of Underlying Metal (and the Custodian is unable to replace such Metal), the Issuer would not be able to satisfy its obligations in respect of the Metal Securities.

Insurance Risk – No Duty for the Custodian to Provide Insurance for the Benefit of the Issuer

2.31 The Custodian may make such insurance arrangements for its own benefit in connection with its custodial obligations pursuant to the Custody Agreements with respect to Metal held in a Secured Account as it considers fit and customary for precious metal storage, but is under no obligation to provide insurance for the benefit of the Issuer in respect of the Underlying Metal it holds for the Issuer. In addition, neither the Trustee nor the Security Trustee is responsible for ensuring that adequate insurance arrangements have been made, or for insuring Metal held in the Secured Accounts, and is not required to make any enquires of such arrangements.

2.32 Accordingly, if any Metal forming part of the Secured Property attributable to any Metal Securities is lost, damaged, stolen or destroyed under circumstances rendering a party liable to the Issuer and/or the Trustee and/or the Security Trustee, the Custodian's insurance coverage may not be sufficient to satisfy the claim and the Issuer may not be able to satisfy its obligations in respect of the Metal Securities resulting in a loss to Securityholders.

Risks Relating to the Performance of the Custodian

2.33 The custodial service provided by the Custodian under the Custody Agreement is not a regulated activity subject to the supervision and rules of the FCA.

2.34 The ability of the Issuer, the Trustee and the Security Trustee to monitor the performance of the Custodian is limited because, under the Secured Allocated Custody Agreement, the metal auditors of the Issuer and the Security Trustee have only limited rights to visit the premises of the Custodian, for the purpose of examining the Metal and certain related records maintained by the Custodian. This access right is subject to such reasonable conditions as the Custodian may require (although the Custodian is obliged to permit such access by metal auditors to its premises at least bi-annually).

2.35 Under the Custody Agreement, the Custodian is only liable for losses that are the direct result of its own negligence, fraud or wilful default in the performance of its duties and then only up to the aggregate market value of the Metal lost or damaged at the time such negligence, fraud or wilful default is discovered by the relevant Custodian.

2.36 The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Custodian in circumstances where the Metal is lost or stolen in custody and/or the records of the Custodian are inconsistent, which could result in the Issuer not being able to satisfy its obligations in respect of the Metal Securities which could, in turn, result in a loss to Securityholders.

Risks Relating to Termination of the Custody Agreements

2.37 Following the expiry of a minimum period of 2 years, the Custodian is entitled to terminate the Custody Agreements upon not less than 6 months' written notice. If following such notice of termination, the Issuer is not able to appoint a new Custodian it would be forced to redeem the affected Metal Securities which would lead to a Securityholder realising its investment earlier than desired and if the value of the Metal Securities at such time is less than that at the time of purchase this could lead to a loss for a Securityholder.

2.38 Further details relating to the Custody Agreements are set out in **Section 7 – Description of Documents**.

Risks Relating to the Performance of the Metal Agent

2.39 The Issuer has appointed the Metal Agent as its agent to effect sales of Metal in connection with, amongst other things, a Metal Sale on a Redemption.

2.40 On a Metal Sale, the Issuer will instruct the Custodian to transfer the relevant Metal from the Secured Accounts to the order of the Metal Agent in accordance with the Metal Agent Agreement and the Metal Agent will sell the Underlying Metal in a timely fashion on the Metal Sale Date.

2.41 Under the Metal Agent Agreement, the Metal Agent is authorised to take such steps as, acting in a commercially reasonable manner, it considers appropriate to effect an orderly sale of the Metal. This means that the Metal Agent will use its discretion in selling the Underlying Metal, and the Issuer cannot guarantee that such discretion will result in the Metal Agent obtaining the optimal price on the Metal Sale Date. In

addition, the Metal Agent is permitted to deduct any amounts properly incurred by it in connection with such sale from the applicable proceeds.

2.42 Pursuant to the terms of the Metal Agent Agreement, the Metal Agent is only responsible for any loss or damage as a result of any negligence, fraud or wilful default on Metal Agent's part in the performance of its duties. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Metal Agent in circumstances where the Metal is lost or stolen in the course of a Metal Sale. Additionally, the Metal Agent may make such insurance arrangements for its own benefit in connection with its obligations under the Metal Agent Agreement as it considers appropriate and is under no obligation to provide insurance for the benefit of the Issuer in respect of the Metal it sells to effect a Metal Sale. The Issuer's limited rights in this regard mean that there is a risk that the Issuer would have limited recourse to the Metal Agent in circumstances where the Metal is lost or stolen in the course of a Metal Sale.

2.43 The services provided by the Metal Agent under the Metal Agent Agreement is presently not a regulated activity subject to the supervision and rules of any regulatory authority.

2.44 Further details regarding the Metal Agent are set out in **Section 7 – Description of Documents**.

D. Operational Risks

Early Redemption of Metal Securities

2.45 An investment in Metal Securities may be redeemed earlier than desired by a Securityholder and at short notice (a Compulsory Redemption). In these circumstances, the Securityholder may suffer a loss if the value of the Metal Securities is lower than it would otherwise have been if the investment had been redeemed on a day chosen by the Securityholder, rather than on the date of the early Redemption.

2.46 A Compulsory Redemption is effected by Metal Sale. Pursuant to the terms of the Metal Agent Agreement the Metal Agent is entitled to deduct certain costs from the proceeds of the relevant sale of Metal (see section 2.41 above), which an Optional Redemption by way of Metal Delivery would otherwise not be subject to. In addition, if the early Redemption takes place at a time when the value of the Metal Securities redeemed is lower than when they were purchased by the Securityholder, the Securityholder could suffer a loss. Early Redemption may occur in the following circumstances:

- ***Early Redemption on Default***

2.47 In certain circumstances following the occurrence of an Event of Default in respect of the Issuer (including the Issuer's failure to make payments, failure to perform obligations in respect of the Metal Securities or certain insolvency events in respect of the Issuer), the Issuer will be required to redeem all or some of the Metal Securities in respect of a Class upon receiving notice from the Trustee, provided that the Trustee has been instructed by a specified portion of the Securityholders and indemnified, secured and/or pre-funded to its satisfaction. These circumstances include where:

(a) the Issuer has failed to comply with certain payment obligations in respect of the Redemption of any Metal Securities (subject to certain remedies);

(b) the Issuer fails to comply with one or more of its obligations under a Programme Document; or

(c) the Issuer is subject to an insolvency event.

- ***Early Redemption for Cause***

2.48 The Issuer may redeem any Metal Securities at any time by not less than 7 and no more than 14 Business Days' written notice, which it considers, in its absolute discretion:

(a) are held in breach of law; or

(b) that the ownership of such Metal Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

- ***Early Redemption Following a Disruption Event***

2.49 If, in respect of a class of Metal Securities, a disruption event occurs (for example disruption relating to the trading of the underlying Metal, disruption relating to trade of the Metal Securities On-Exchange or in the OTC Market, the termination of a relevant Programme Party without replacement and disruption relating to the Secured Allocated Accounts or the inaccessibility or loss of Underlying Metal), the Issuer may suspend Subscription and/or Redemption of the relevant Metal Securities for so long as the disruption event continues, and ultimately exercise its right to redeem some or all of the affected Metal Securities.

Risks Relating to a Securityholder's Reliance on an Authorised Participant

2.50 Only Authorised Participants may deal with the Issuer in applying for Metal Securities to be issued. There can be no assurance that there will at all times be an Authorised Participant to deal with the Issuer in applying for Metal Securities.

2.51 In the event that there is no Authorised Participant, no Metal Securities can be issued. In such an event it may also be difficult or impossible to sell Metal Securities on the Relevant Stock Exchanges at a price close to the Metal Reference Price or within a reasonable time period. In such a case, a Securityholder may Redeem directly with the Issuer, which may take longer and be more costly (due to payment of the Redemption Fee) than sale of the Metal Securities On-Exchange.

Insufficient Assets to Cover Principal Amount

2.52 A Securityholder may elect to receive an amount in cash equal to the Principal Amount instead of the amount otherwise specified on a redemption. Such Principal Amount operates as a minimum repayment amount which is payable at the election of the Securityholder. Due to the limited recourse nature of the Metal Securities, in the event that the value of the Metal Entitlement of the relevant Class is insufficient to pay the Principal Amount to all Securityholders who have elected to receive the Principal Amount, such Securityholders may not receive payment of the Principal Amount in full and may receive substantially less.

Risks Relating to the Application of the Total Expense Ratio

2.53 The Metal Entitlement per Security in respect of a Class will decrease over time as a portion of the Total Expense Ratio (a rate per annum specified in the Final Terms in respect of a Class) is applied to the Metal Entitlement on a daily basis, which reduces the Metal Entitlement per Security.

2.54 There is no guarantee that the Underlying Metal in respect of a Class will outperform the Total Expense Ratio, meaning that the value of a Securityholder's investment could decrease over time.

2.55 In addition, provided that it gives Securityholders at least 30 days' prior notice, the Issuer may increase the Total Expense Ratio. An increase in the Total Expense Ratio in respect of a Class will reduce the Metal Entitlement in respect of that Class by

more than would have been the case (and at a faster rate) had the Total Expense Ratio remained the same.

Other Business Activities of Authorised Participants

2.56 The Authorised Participants and/or their respective affiliates may be active traders in the physical and financial metals markets. These trading activities may present a conflict between: (i) the interests of the Securityholders; and (ii) the interests of the Authorised Participants in facilitating transactions (including options and other derivatives transactions) relating to Metal, both in their proprietary accounts and for their customers in accounts under their management.

2.57 These trading activities could give rise to conflicts of interest which are adverse to the interests of the Securityholders and could adversely affect the market value of the Metal Securities. With respect to any of the activities described above, none of the Authorised Participants or any of their respective affiliates has any obligation to the Issuer to take the needs of any buyers, sellers or holders of the Metal Securities into consideration at any time.

Risks Relating to the Trustee

2.58 The Trustee will have regard to the interests of the Securityholders as a Class and will not have regard to the consequences of the exercise of its functions for individual Securityholders. The Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

Risks Relating to the Security Trustee

2.59 The Security Trustee will have regard to the interests of the Securityholders as a Class and will not have regard to the consequences of the exercise of its functions for individual Securityholders. The Security Trustee will not be entitled to require, nor will any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Securityholder.

Modifications to the Programme

2.60 The Trustee or, as applicable, the Security Trustee, may agree to amendments to the Programme Documents to which it is a party if, in its opinion such amendment is of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme.

2.61 The Trustee or, as applicable, the Security Trustee, may also agree to any other modification, and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any of the provisions of any Programme Document to which the Trustee or, as applicable, the Security Trustee, is a party that is in the opinion of the Trustee or, as applicable, the Security Trustee, not materially prejudicial to the

interests of the Securityholders, or, in the case of the Security Trustee, Securityholders of the relevant Class.

2.62 All other matters affecting the interests of the Securityholders (including any modifications of the Metal Securities) must be sanctioned by an Extraordinary Resolution of the Securityholders, which Extraordinary Resolution will be binding on all Securityholders of the relevant Class, including any Securityholders who did not vote in favour of the Extraordinary Resolution.

2.63 A Securityholder might therefore be adversely affected by a decision of the Trustee, the Security Trustee, the Issuer and/or other Securityholders where it did not consent to or agree with such a decision.

E. Risks Relating to Security

Limited Recourse

2.64 Subject always to the Security Deed in respect of a Class, the Securityholders will have recourse only to the Secured Property in respect of a Class, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property relating to the relevant Class and application of available assets, any outstanding claim against the Issuer relating to such Class remains unsatisfied, then such outstanding claim will be extinguished and no obligation will be owed by the Issuer in respect of such claim.

2.65 Subsequently, neither the Securityholders nor any other person acting on their behalf (or on behalf of any of them) will be entitled to take any further steps against the Issuer or any of its directors, shareholders, corporate service providers or agents to recover any further sum in respect of such claim and no obligation will be owed to any such persons by the Issuer in respect of such outstanding sum.

Recognition of Security in other Jurisdictions

2.66 The laws of certain jurisdictions may affect some or all of the assets comprising the Secured Property in respect of any Security Deed or any Security Document. In the event that the laws of a jurisdiction do not recognise the security granted by such Security Deed or other Security Document, such security may not be effective in relation to assets deemed located in that jurisdiction and/or such assets may be subject to claims which would otherwise rank after claims secured by the Security Deed or other Security Document. In the event that it becomes necessary to enforce the security granted by a Security Deed or other Security Document in a jurisdiction that does not recognise such security (or in which it has not been perfected) there may be delays in enforcing the security or it may not be possible to enforce such Security which could result in losses to Securityholders.

Limited Enforcement Rights

2.67 The Security Trustee may enforce the Security at its discretion but is only required to enforce the Security on behalf of a Securityholder if it is directed to do so by the Trustee and provided the Trustee has been instructed by a specified portion of the

Securityholders and indemnified, secured and/or pre-funded to its satisfaction. These circumstances include where (i) the Issuer has failed to comply with certain payment obligations in respect of the Redemption of any Metal Securities (subject to certain remedies), or (ii) the Issuer fails to comply with one or more of its obligations under a Programme Document, or (iii) the Issuer is subject to an insolvency event.

2.68 In circumstances where the Security Trustee is not directed to enforce the Security, a Securityholder will have no right to proceed directly against the Issuer and may therefore not be able to realise the value of its investment.

Risks Relating to the Subordination of Securityholders' Claims on Enforcement of Security

2.69 Any claims made against the Issuer will be satisfied in order of the priority waterfall set out in the section entitled ***Application Of Proceeds On Enforcement Of Security*** in Condition 6 (as set out in **Section 11 – Terms and Conditions of Metal Securities**), meaning that the claims of the Securityholders rank behind applicable payments to the Custodian, the Security Trustee and the Trustee, as described below.

2.70 The Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the Security constituted by the Security Documents in accordance with the priority waterfall set out in Condition 6.3 (***Application of Proceeds on Enforcement Of Security***), in accordance with which all moneys received or recovered by the Trustee under the applicable Trust Deed and the proceeds derived from the realisation of the assets by the Security Trustee that are the subject of the Security constituted by the relevant Security Documents, in each case in relation to the Metal Securities of the relevant Class, will be applied as follows:

(a) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(b) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar Tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);

(c) third, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(d) fourth, in payment of any amounts owing to the Securityholders pari passu and rateably; and

(e) fifth, in payment of any balance to the Issuer for itself.

2.71 Following the priority of payments, the security may be insufficient and the Issuer may not be able to return the full amounts due to Securityholders who may suffer a loss as a result.

Enforcement of the Security

2.72 The Security Trustee may enforce the Security in its discretion, at the direction of the Trustee, if an Event of Default Event occurs with respect to the Metal Securities. When exercising its right in this regard, the Security Trustee will have regard to the interests of the Securityholders as a whole and will not have regard to the consequences of such exercise for individual Securityholders, which may have an adverse impact on certain Securityholders more than others.

F. Risks Relating to the Issuer and its Legal Structure

The Issuer

2.73 The Issuer expects that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (as amended) ("**Section 110**"), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer subject to the Issuer meeting all relevant conditions of Section 110. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, or any of its expenses are not deductible for tax purposes, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cashflows connected with the Metal Securities and as such could adversely affect the tax treatment of the Issuer and consequently the payments on the Metal Securities.

2.74 Other than the Metal held in respect of the Metal Securities (to the extent not applied in discharge of certain establishment expenses of the Issuer), the Issuer has, and will have, no assets other than a small amount of profit received by the Issuer in connection with the issue of the Metal Securities and in respect of the Metal Securities, any rights, property, sums or other assets on which such Metal Securities issued under the Programme are secured.

2.75 The Issuer is not required to be licensed or authorised under any current securities, commodities, insurance or banking laws of its jurisdiction of incorporation. In particular, the Issuer is not and will not be regulated by the Central Bank as a result of issuing the Metal Securities.

2.76 There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the Issuer is required to be licensed, registered or authorised under the prevailing securities, banking or commodities laws of that jurisdiction or that legal or regulatory requirements in this respect will not change so as to bring the Issuer's activity relating to the Metal Securities within the scope of such laws. Any such requirement or change could have an adverse impact on the Issuer or the Securityholders.

No Guarantee by any other Party

2.77 The Metal Securities issued under the Programme will not be guaranteed by, or be the responsibility of, any entity other than the Issuer. Aside from the Issuer, no Programme Party, or any other person (including any Affiliate of the Issuer) is required to make payments on the Metal Securities of any Class. Specifically, the Metal Securities:

(a) will not have the status of a bank deposit and will not be within the scope of any deposit protection scheme or any client money protection scheme; and

(b) are not insured or guaranteed by any government, government agency or other body.

Insolvency

2.78 The Issuer has agreed not to engage in activities other than the issue of Metal Securities and related and/or incidental matters. Any issue of Metal Securities must be on terms that provide for the claims of the Securityholders and the Programme Parties in respect of such Metal Securities to be limited to the proceeds of the assets on which such Metal Securities are secured.

2.79 In addition, there are restrictions on the Securityholders and Programme Parties bringing insolvency proceedings against the Issuer. If such provisions are upheld, it would be unlikely that the Issuer could become insolvent.

2.80 However, notwithstanding the limited recourse and non-petition provisions, should the Issuer have outstanding liabilities to third parties which it is unable to discharge or should the limited recourse or non-petition provisions be found to be non-enforceable in a particular jurisdiction and as a result the Issuer becomes or is declared insolvent according to the law of any country having jurisdiction over it or any of its assets, the insolvency laws of that country may determine the validity of the claims of Securityholders and may prevent Securityholders from enforcing their rights with respect to any Metal Securities held by it or delay such enforcement. In particular, depending on the jurisdiction concerned and the nature of the assets and security, the Security created in favour of the Security Trustee in respect of such Class of Metal Securities may be set aside or ranked behind certain other creditors and the assets subject to such Security may be transferred to another person free of such Security.

2.81 In addition, certain jurisdictions have procedures designed to facilitate the survival of companies in financial difficulties. In such jurisdictions, the rights of the Security Trustee to enforce the Security created pursuant to any Security Document may be limited or delayed by such procedures.

Unconnected Liabilities of the Issuer

2.82 While assets held in relation to any particular Class of Metal Securities are not available to satisfy the claims of holders of a different Class of Metal Securities, there is a risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Metal Securities or otherwise) which are not themselves subject to limited recourse or non-petition limitations.

Preferred Creditors under Irish Law and Floating Charges

2.83 If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Securityholders and other Secured Parties, the Securityholders (and other Secured Parties) may suffer losses as a result of their subordinated status during such insolvency proceedings. In particular, under Irish law, upon an insolvency of an Irish company, such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims

include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) which have been approved by the relevant Irish courts (see "Examinership" below).

2.84 The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

2.85 Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

2.86 The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

2.87 In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

2.88 The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Security Deed may operate as a floating, rather than a fixed charge.

2.89 In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

2.90 Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the relevant charged assets would be regarded by the Irish courts as a floating charge.

2.91 Floating charges have certain weaknesses, including the following:

(a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;

(b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up even if crystallised prior to the commencement of winding-up;

(c) they rank after certain insolvency remuneration expenses and liabilities;

(d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(e) they rank after fixed charges.

Centre of Main Interests

2.92 Article 3(1) of Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on Insolvency Proceedings (recast) (the "**EU Insolvency Regulation**") is in force in Ireland since 26 June 2017 and applies to "insolvency proceedings" opened after 26 June 2017. Article 3(1) of the EU Insolvency Regulation provides that the centre of main interests ("**COMI**") shall be "the place where the debtor conducts the administration of its interests on a regular basis and which is ascertainable by third parties" and in the case of a company, such as the Issuer, the place of the registered office shall be presumed to be the COMI in the absence of proof to the contrary and provided that the registered office has not been moved from another member state of the EU (a "**Member State**") within the 3 month period prior to the request for the opening of "insolvency proceedings".

2.93 In the decision by the Court of Justice of the European Union ("**CJEU**") in relation to Eurofood IFSC Limited, the CJEU restated the presumption in Council Regulation (EC) No. 1346/2000 of 29 May 2000 on Insolvency Proceedings, that the place of a company's registered office is presumed to be the company's COMI and stated that the presumption can only be rebutted if "factors which are both objective and ascertainable by third parties enable it to be established that an actual situation exists which is different from that which locating it at the registered office is deemed to reflect". This is consistent with Recital 30 to the EU Insolvency Regulation.

2.94 Recital 28 to the EU Insolvency Regulation further indicates that in assessing whether a company's centre of main interests is ascertainable to third parties for these purposes, "special consideration should be given to the creditors and to their perception as to where a debtor conducts the administration of its interests". As the Issuer has its registered office in Ireland, has not moved its registered office from another Member State to Ireland within the 3 month period prior to a request for the opening of "insolvency proceedings", has an Irish corporate services provider, has Irish directors and is registered for tax in Ireland, the Issuer does not believe that factors exist that would rebut this presumption, although this would ultimately be a matter for the relevant court to decide, based on the circumstances existing at the

time when it was asked to make that decision. If the Issuer's COMI is not located in Ireland, and is held to be in a different jurisdiction within the European Union, main insolvency proceedings may not be opened in Ireland.

2.95 Accordingly, pursuant to Article 3 of the EU Insolvency Regulation and as the Issuer is an Irish incorporated company and has its registered office in Ireland there is a rebuttable presumption that the Issuer's COMI is in Ireland and consequently that any main insolvency proceedings applicable to it would be governed by Irish law.

Examinership

2.96 Examinership is a court procedure available under the Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties. Where a company, which has its COMI in Ireland is, or is likely to be unable to pay its debts an examiner may be appointed on a petition to the relevant Irish court under Section 509 of the Companies Act 2014.

2.97 The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

2.98 During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the relevant Irish court when at least one class of creditors has voted in favour of the proposals and the relevant Irish court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

2.99 In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee or Security Trustee represented the majority in number and value of claims within the secured creditor class, the Trustee or Security Trustee would be in a position to reject any proposal not in favour of the Securityholders. The Trustee or Security Trustee would also be entitled to argue at the relevant Irish court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Securityholders.

2.100 The fact that the Issuer is a special purpose vehicle and that all of its liabilities should be of a limited recourse nature means that it is unlikely that an examiner would be appointed to the Issuer.

2.101 However, if, for any reason, an examiner was appointed while any amounts due by the Issuer under the Metal Securities were unpaid, the primary risks to the Securityholders are as follows:

(a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Securityholders as secured by the Trust Deeds, Security Deeds and/or Security Documents;

(b) the Trustee and/or the Security Trustee acting for and on behalf of the Secured Parties, would not be able to enforce rights against the Issuer during the period of examinership;

(c) the potential for the examiner to seek to set aside any negative pledge in the Metal Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and

(d) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the Secured Parties under the Metal Securities or the Programme Documents.

G. VAT and Tax Risks Relating to an Investment in the Metal Securities

No Representation as to Tax Risks

2.102 Neither the Issuer nor any other Programme Party make any representation or warranty as to the tax consequences of the acquisition, holding or disposal of the Metal Securities (or any activities relating to such trading activity). The tax consequences of an investment in the Metal Securities (including the related impact on the income received from Metal Securities) may differ depending: (i) on the structure and/or location of the relevant Securityholders; (ii) the tax laws of the prospective investor's jurisdiction; and/or (iii) the tax laws of the Issuer's country of incorporation. Consequently, prospective investors are advised to consult with their tax advisers as to their specific consequences of the acquisition, holding or disposal of the Metal Securities.

VAT

2.103 Platinum, palladium and silver are subject to 20 per cent. VAT when imported into the United Kingdom (except those arrivals from within the EU which are not currently subject to such import VAT). The VAT can be reclaimed as long as the importer is a member of the LBMA (in the case of silver) and the LPPM (in the case of platinum and palladium) and the metals are kept within the London "black box" clearing system. Supplies of investment gold between members of the LBMA are zero-rated, as are supplies between a member and a non-member where the gold remains under a member's control and responsibility.

2.104 Under the Custody Agreement, all VAT is for the account of the Custodian.

2.105 The Custodian is a full member of the LBMA and an associate member of the LPPM and thus any VAT charged to the Custodian under the Programme is reclaimable. The processes designed by the Custodians for the benefit of the Issuer mean that Metal Securities should not accrue any future irrecoverable VAT charges, although if the rules for irrecoverable VAT or importation were changed, it is possible that Metal Securities could be liable for VAT when the Metal is imported into the United Kingdom which could lead to a tax charge to a Securityholder. However, even under the current rules, if upon redemption the Securityholder requires physical delivery outside of the "black box system" then they will be liable for VAT.

2.106 In respect of Metal coming in from outside the EU, they can be brought straight into the bonded warehouse which will mean that as they are not in free circulation no import VAT charge arises. They can be traded whilst remaining in bond, without a VAT charge arising. Storage charges for metals in bond do not attract a VAT charge, whereas storage charges for metals that are outside the bond but fall within the reliefs of the London "black box" clearing system are subject to VAT.

2.107 The VAT treatment of Metal imported from the EU may change in the event that the United Kingdom leaves the EU without a deal. If the current exemption from import VAT on arrivals from the EU ceases to apply, it is expected that the VAT treatment applicable to imports from outside the EU would apply, as summarised above.

H. Risk Factors Relating to Legal Matters

Regulatory Risk

2.108 Government or regulatory intervention in the financial markets could result in: (i) the Issuer or any other Programme Party being unable to perform its obligations in relation to the Metal Securities; and/or a Securityholders being unable to hold Metal Securities. If, due to a change in any applicable law or regulation, it becomes illegal for the Issuer, a Programme Party or a Securityholder to perform its obligations in relation to the Metal Securities, the Metal Securities of the relevant Class may fall for Compulsory Redemption.

2.109 The Issuer is not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and (subject to the requirements of the Prospectus Regulation and any related rules issued by the Central Bank) will operate without supervision by any authority in any jurisdiction. However, regulatory authorities in one or more jurisdictions may take an alternative view regarding the applicability of any such laws to the Issuer and require the Issuer to be licensed, registered or authorised.

2.110 Owing to the special purpose nature of the Issuer, the Issuer may be unable to comply with the requirements imposed by the regulatory authorities of any such jurisdiction. The taking of an alternative view by such regulatory authority could therefore have an adverse impact on the Issuer and/or the holders of Metal Securities including, without limitation, the Issuer consequently determining that a Compulsory Redemption Event has occurred in respect of any affected Metal Securities. The Metal Securities may therefore be redeemed early, which may result in Securityholders receiving less, or substantially less, than their initial investment.

Change of Law

2.111 The Conditions are governed by English law in effect as at the date of issue of the relevant Metal Securities. It is possible that a judicial decision or change to English law or administrative practice after the date of issue of the relevant Metal Securities will occur which may affect such Metal Securities.

2.112 It is not possible to predict the consequences of any such changes; it could have a significant adverse effect on the price and liquidity of the Metal Securities and/or the Issuer may, as a result of such change, determine that a Compulsory Redemption Event has occurred and the Metal Securities may be redeemed early. As a result of such Redemption, Securityholders may receive less, or substantially less, than their initial investment.

Legality of Purchase

2.113 The purchase of the Metal Securities by any prospective purchaser may be subject to investment laws, regulations and/or restrictions or review by certain authorities (including controls and/or position limits on the Relevant Stock Exchanges). The Issuer, the Trustee, the Security Trustee, the Authorised Participants, any other Programme Party or any Affiliate of such persons are not responsible for compliance

by a prospective purchaser of the Metal Securities (whether for its own account or for the account of any third party) with such investment laws, regulations and/or restrictions.

2.114 If a Securityholder acquires Metal Securities in contravention of such laws, regulations and/or restrictions and breach of such laws, regulations and/or restrictions, this may result in adverse consequences (including, without limitation, adverse tax consequences) for an investor outside of the Programme (notwithstanding the Issuer's right to effect a Compulsory Redemption for Cause in accordance with Condition 8.4 (***Compulsory Redemption for Cause***), which would result in the early Redemption of the affected Metal Securities).

Alternative Investment Fund Managers Directive

2.115 EU Directive 2011/61/EU on Alternative Investment Fund Managers ("**AIFMD**") became effective on 22 July 2013 and provides, amongst other things, that all alternative investment funds ("**AIF**s") must have a designated alternative investment fund manager ("**AIFM**") with responsibility for portfolio and risk management.

2.116 The application of the AIFMD to special purpose vehicles such as the Issuer is unclear. The Issuer does not operate in the same manner as a typical alternative investment fund. However, the definition of AIFs and AIFM in the AIFMD is broad and there is only limited guidance as to how such definitions should be applied in the context of a special purpose vehicle such as the Issuer. Were the Issuer to be found to be an AIF, or were the manager acting in any capacity of the Metal Securities found to be acting as an AIFM with respect to the Issuer, both the Issuer and the manager would need to be appropriately regulated. Owing to the special purpose nature of the Issuer, it would be unlikely that either the Issuer or the manager could fully comply with the requirements of AIFMD. In such circumstance, the Issuer would be likely to determine that a Compulsory Redemption Event had occurred and the Metal Securities will be redeemed early and Securityholders may receive less, or substantially less, than their initial investment.

Risk of Recharacterisation

2.117 The Metal has been issued in the form of debt securities and are not units in an authorised collective investment scheme. It is possible that the courts or regulatory authorities in any jurisdiction may recharacterise the Metal Securities as units in a collective investment scheme. Any such recharacterisation may have adverse consequences (including, without limitation, adverse tax consequences) for an investor. In addition, as a result of such recharacterisation, the Issuer may determine that a Compulsory Redemption Event has occurred. The Metal Securities may therefore be redeemed early, which may result in Securityholders receiving less, or substantially less, than their initial investment.

'Brexit'

2.118 Pursuant to the European Referendum Act 2015, a referendum on the UK's membership of the EU was held on 23 June 2016 with the majority voting to leave

the EU. On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union and officially notified the EU of the United Kingdom's intention to withdraw from the EU. Under Article 50, the Treaty on the European Union and the Treaty on the Functioning of the European Union cease to apply in the relevant state from the date of entry into force of a withdrawal agreement, or, failing that, two years after the notification of an intention to withdraw (29 March 2019). The UK did not leave the EU on this date and the uncertainty of the Brexit outcome, including the date on which the UK will leave the EU, has led to political and economic instability and volatility in the financial markets of the UK and the EU. As at the Prospectus Date, it is expected that the UK will leave the EU on 31 January 2020. Following this date, it is anticipated that the UK will enter a transition period until 31 December 2020. During this transition period, the UK will continue to observe EU law whilst the UK and the EU negotiate a Brexit deal.

2.119 The extent of the impact of Brexit will depend in part on the nature of the arrangements that are put in place between the UK and the EU following this eventual Brexit deal and the extent to which the UK continues to apply laws that are based on EU legislation. The longer term process to implement the political, economic and legal framework that is agreed between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets. The UK's exit from the EU or the terms of the exit could also create significant uncertainty in the UK (and potentially global) financial markets, which may materially and adversely affect the performance of the Issuer, value of the Securities and returns to Securityholders. It could also potentially make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden which could restrict the Issuer's future activities and thereby negatively affect returns.

2.120 The longer-term consequences of Brexit may be affected by the length of time it takes for the UK to leave the EU and the terms of any future arrangements the UK has with the remaining EEA States. Among other things, the UK's decision to leave the EU could lead to instability in the foreign exchange markets, including volatility in the value of the pound sterling or the euro.

2.121 Deteriorating business, consumer or investor confidence could lead to (i) reduced levels of business activity; (ii) higher levels of default rates and impairment; and (iii) mark to market losses in trading portfolios resulting from changes in credit ratings, share prices and solvency of counterparties.

2.122 The precise impact on the business of the Issuer and the Metal Securities is difficult to determine. Such matters may adversely affect the ability of the Issuer (and the other Programme) to satisfy its obligations under the Metal Securities and/or the market value and/or the liquidity of the Metal Securities in the secondary market.

Undertakings for Collective Investment in Transferable Securities (UCITS)

2.123 Prospective investors which are UCITS, i.e. which comprise a scheme which is an undertaking for collective investment in transferable securities subject to the Directive of the European Parliament and the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to Undertakings for Collective

Investment in Transferable Securities (2009/65/EC) (the "**Recast UCITS Directive**"), as amended, need to satisfy themselves that any investment in the Metal Securities will comply with any regulations and/or guidelines applicable to them pursuant to the Recast UCITS Directive and any laws, regulations or guidelines of their jurisdiction of incorporation and would be in line with their individual investment objectives.

2.124 Failure to comply with such restrictions may cause a UCITS which is a Securityholder, to be in breach of its compliance obligations under the Recast UCITS Directive, laws of its jurisdiction of incorporation or investment objectives and policies, and therefore to be exposed to regulatory sanctions under its national regime.

SECTION 3 – DESCRIPTION OF THE PROGRAMME

A. Introduction to the Programme

3.1 Metal Securities are intended to offer investors a means of investing in the precious metals market without the necessity of taking physical delivery of or storing Metal. Metal Securities are being made available by the Issuer for Subscription only to Authorised Participants. Prospective Non-AP Securityholders can buy and sell Metal Securities through the trading of securities listed on a Relevant Stock Exchange or in the OTC Market. Provided that certain conditions are met (see ***Subscription and Redemption*** below), Authorised Participants and Non-AP Securityholders are able to Redeem Metal Securities directly with the Issuer.

3.2 Metal Securities may be available to be issued in Certificated Form or in Uncertificated Form in the Relevant Clearing System.

Metal Securities: General Description

3.3 Metal Securities have an effective notional entitlement to a type of Metal, the Metal Entitlement. This aims to provide an investor with the same return that they would gain from investing directly in the underlying precious metal (less applicable fees). Subscriptions for and Redemptions of Metal Securities are, in general, satisfied in precious metal of the relevant type, which is stored in safe custody with the relevant Custodian. All Metal conforms to the rules of the Relevant Association.

3.4 A Metal Security is a secured limited recourse debt obligation of the Issuer, which entitles a Securityholder to require Redemption of the Metal Security and on the Redemption Settlement Date receive an amount of Metal equal to the relevant Metal Entitlement of that Metal Security on the Trade Date (or in the case of a Metal Sale, an amount of cash equal to the Securityholders Metal Entitlement in respect of the Metal Securities being Redeemed).

3.5 The Metal Securities are backed by physical Metal which is identified (whether by bar serial numbers or otherwise) in and recorded on the Issuer's account with the Custodian. More specifically, this Metal will be held in the Secured Allocated Accounts in "allocated" form as uniquely identifiable bars (the "**Underlying Metal**"), as identified in the Bar List published each London Business Day by the Issuer. The books and records of the Custodian evidence that such Metal is segregated from other metal held in each of its Vaults (or a Sub-custodian's Vault, where applicable). In order to maximise the efficiency of the Subscription and Redemption process, Metal may be held in "unallocated form" for a short period of time in a Secured Unallocated Account.

B. Metal Entitlement

3.6 The Issuer (or an agent on its behalf) will calculate the Metal Entitlement per Security in respect of each calendar day. As at the Issue Date, the Metal Entitlement per Security in respect of the Initial Tranche of The Royal Mint Physical Gold ETC Securities is 0.01 fine troy ounce of gold.

3.7 Whenever new Metal Securities of any type are issued or existing Metal Securities are Redeemed, this will reflect the then prevailing Metal Entitlement of those Metal Securities, thereby ensuring that all securities of the same type have the same Metal Entitlement.

3.8 The precise rights attached to the Metal Securities, including deductions in respect of fees and how they are applied, are set out in the Conditions, which are reproduced in **Section 11 – Terms and Conditions of Metal Securities**. An illustration of the effect of these rights, is set out in **Section 8 – Determining the Value of an Investment in Metal Securities**. Worked examples are also included in this section.

C. Listing, Trading and Passporting

3.9 All Metal Securities are fully transferable.

3.10 The Issuer has requested the Central Bank to provide the FCA, the BaFIN and the CONSOB with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation and any other necessary information so that the Metal Securities may respectively be admitted to listing and trading on:

(a) the Main Market of the London Stock Exchange;

(b) the regulated market of the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse); and

(c) on the official list of the Italian Stock Exchange (Borsa Italiana S.p.A.),

and offered publicly in the United Kingdom, Germany and Italy in accordance with local law.

3.11 The Issuer has also requested the Central Bank to provide the competent authorities of Finland, Luxembourg and the Netherlands with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation so that the Metal Securities may be offered publicly in accordance with the local law of these EEA States.

3.12 The Issuer may request the Central Bank to provide competent authorities in other EEA States with such certificates for the purpose of admission to trading of all or any Metal Securities on a regulated market therein. The Central Bank will remain the competent authority for the purposes of approving all prospectus published by the Issuer under the Prospectus Regulation.

D. Contract Structure

Trust Deed

3.13 In respect of a Class of Metal Securities, the Metal Securities of such Class are constituted by a Trust Deed, under which the Trustee acts as trustee for the Securityholders of each Class.

3.14 The Programme Documents establish a custody structure in respect of the Underlying Metal and a security structure in respect of the Secured Property.

Custody

3.15 Pursuant to the Custody Agreements, the relevant Custodian acknowledges the Security created by the Issuer in favour of the Security Trustee and agrees that once the relevant Metal is deposited in a Secured Account in accordance with a relevant Custody Agreement, it may only be removed in accordance with the terms of the relevant Custody Agreement.

3.16 The Custodian identifies in its books and records that the Underlying Metal belongs to the Issuer, and the Custodian shall have no title to or interest in such Underlying Metal.

3.17 The Royal Mint Limited is the Custodian of the Metal held in the Secured Accounts in relation to The Royal Mint Physical Gold ETC Securities.

3.18 Further details of the Custodian, the arrangements for the storage of Metal, the Secured Accounts and a summary of the terms of the Custody Agreements are set out under the heading "***Custody Agreements***" in **Section 7 – Description of Documents**.

Security

3.19 In addition, the Issuer and the Security Trustee (which, as at the Prospectus Date is the same person as the Trustee) have also entered into a separate Security Deed. Pursuant to the Security Deed, all sums held by or on behalf of the Issuer to meet payment due in respect of its obligations owed to the Securityholders and the Secured Parties in respect of the Metal Securities are the subject of a first fixed charge and floating charge in favour of the Security Trustee. The Trust Deed gives the Trustee and the Security Deed gives the Security Trustee, on trust for the Securityholders and the Secured Parties respectively, rights against the Issuer in respect of the Metal Securities.

3.20 Further details of the contract structure and the relevant Programme Documents are set out **Section 7 – Description of Documents**.

E. Transaction Structure and Flow of Funds

Authorised Participants and Flow of Funds

3.21 Metal Securities can be bought and sold for cash On-Exchange. The cash used to settle On-Exchange transactions is never delivered to the Issuer. Market makers work to ensure that there is sufficient liquidity on the Relevant Stock Exchanges. To aid this process, the Issuer may enter into Authorised Participant Agreements with certain financial institutions (**Authorised Participants**) pursuant to which those institutions may subscribe for Metal Securities on an ongoing basis.

3.22 Following a Subscription for Metal Securities, an Authorised Participant must deliver Metal with an aggregate weight equal to the Metal Entitlement of the Metal Securities into the Secured Accounts. Once the Metal is transferred to the Secured Allocated Account, the Issuer will create the Metal Securities and deliver them to the Authorised Participant via the Relevant Clearing System. The relevant Underlying Metal will be held with all other Metal attributable to that Class of Metal Securities in the Secured Accounts. The mechanics of the Subscription process are described in more detail in Subscription and Redemption, below.

3.23 The Authorised Participant may then sell the Metal Securities in the secondary market either On-Exchange or in the OTC Market (i.e. outside of an exchange).

3.24 An Authorised Participant might also elect to keep the Metal Securities to hold themselves.

3.25 If a Securityholder wishes to Redeem its Metal Securities so as to take delivery of the relevant underlying Metal, it must return those Metal Securities into the Relevant Clearing System and in return will receive Metal equivalent to the aggregate Metal Entitlement of the relevant Metal Securities which are being redeemed, through a transfer from the Secured Accounts into the Securityholder Metal Account. The mechanics of the Redemption process are described in more detail in Subscription and Redemption, below and Condition 7 (***Redemption***) in **Section 11 – Terms and Conditions of Metal Securities**.

3.26 If a Securityholder wishes to dispose of its holding of Metal Securities for cash rather than Metal, they must sell them either On-Exchange or in the OTC Market. Note however that, a Metal Sale will apply in certain circumstances, including where (through no fault of the Issuer), the Metal to which the Securityholder is entitled on Redemption is not successfully delivered to the Securityholder by the 30th day after the Redemption Settlement Date, the Securityholder is a Prohibited Metal Holder or where there are no Authorised Participants. Further details of the Metal Sale process are set out in Condition 7.8 (***Metal Sale***) in **Section 11 – Terms and Conditions of Metal Securities**.

F. Subscription and Redemption

3.27 The Subscription and Redemption mechanisms are intended to ensure that Metal Securities have sufficient liquidity and that the price at which they trade on the Relevant Stock Exchanges tracks the relevant Metal price (before fees).

Subscription

3.28 Only an Authorised Participant may subscribe for Metal Securities by way of a valid Subscription Form in accordance with the terms of the applicable Authorised Participant Agreement and the Operating Procedures.

3.29 The Issuer will only accept a Subscription Form and issue Metal Securities if:

(a) the Subscription Form is determined to be valid by or on behalf of the Issuer;

(b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Metal Securities to be exceeded;

(c) the number of Metal Securities that are the subject of the Subscription Form is greater than the Subscription Minimum (defined below); and

(d) all other conditions precedent to an issue of the Metal Securities are satisfied, including the Authorised Participant's delivery of the relevant Metal in an amount equal to the required Metal Entitlement to the applicable Secured Allocated Account.

3.30 The Issuer may implement a minimum number of Metal Securities that may be applied for at any time (the "**Subscription Minimum**"). As at the Prospectus Date, the Subscription Minimum in respect of The Royal Mint Physical Gold ETC Securities is 34,000 Metal Securities.

Redemption Process

3.31 Each Metal Security carries a right on Redemption to delivery in Metal of an amount equal to the Metal Entitlement per Security. Any Securityholder may Redeem Metal Securities directly with the Issuer.

3.32 A Securityholder may Redeem Metal Securities by submitting a valid Redemption Form to require the Redemption of Metal Securities it holds for delivery of Metal (or, in limited circumstances, cash) in an amount equal to the Metal Entitlement of such Metal Securities (as calculated on the Trade Date) into the applicable Securityholder Metal Account on the Redemption Settlement Date.

3.33 The Issuer will only accept a Redemption Form if it complies with the list of requirements detailed in Condition 7.4 (***Redemption Form*s**) in **Section 11 – Terms and Conditions of Metal Securities**. If the Issuer determines that the Redemption Form complies with these conditions, it shall confirm to the Securityholder that the Redemption Form is valid as soon as reasonably practicable, with the date of such confirmation being the Trade Date.

3.34 No Metal Securities may be Redeemed pursuant to a Redemption Form that the Issuer has not confirmed (in its absolute discretion) as valid.

3.35 No Redemption Form will be validated by the Issuer unless the Securityholder complies with all compliance and identification checks reasonably required by the Issuer, and the results of such checks are determined to be satisfactory to the Issuer and/or its agents ("**KYC**").

3.36 The Issuer is entitled, in its absolute discretion, to determine whether KYC requirements apply to any Redeeming Securityholder and whether such KYC requirements have been satisfied (including where the Redeeming Securityholder is an Authorised Participant, whether KYC requirements have already been satisfied). The Issuer shall not be responsible or liable to any person for any loss or damage suffered as a result of it conducting KYC.

Redemption by Non-AP Securityholders

3.37 Notwithstanding, any other requirements listed in Condition 7.4 (***Redemption Forms***) that are applicable on any Redemption, in respect of a Redemption Form submitted by a Non-AP Securityholder, the Issuer will not validate a Redemption Form until:

(a) the Non-AP Securityholder specifies a Securityholder Metal Account into which the relevant Metal can be deposited (except in the case of a Metal Sale);

(b) KYC in respect of such Non-AP Securityholder is determined to be satisfactory to the Issuer; and

(c) the Non-AP Securityholder pays the Redemption Fee (see "Redemption Fee" below for further details).

Settlement

3.38 In relation to any Optional Redemption, the Securityholder of the Metal Securities subject to the Redemption must, (and the relevant Metal Securities will only be cancelled following):

(a) in the case of Metal Securities that are in Uncertificated Form or in global form (either CGN or NGN form or the new safekeeping structure), transfer by the Securityholder of the Metal Securities into an appropriate account with the Relevant Clearing System; and

(b) in the case of Metal Securities that are in Certificated Form, delivery by the Securityholder of the Metal Securities and any certificates representing them to the Issuer in such manner as the Issuer may agree.

3.39 Provided that the Redeeming Securityholder complies in full with its Securities Delivery Obligation by the time specified in Condition 7.6 (***Redemption Obligations***), the Issuer will effect the Redemption on the second business day following the Trade Date.

3.40 In relation to any Optional Redemption, the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Metal Sale such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day.

3.41 The Programme offers two mechanisms for Redemption, Metal Delivery and Metal Sale.

Metal Delivery

3.42 In the case of a Metal Delivery, the Issuer shall upon receipt of the relevant valid Redemption Form instruct the Custodian to transfer Metal in at least an amount equal to the Metal Entitlement of such Metal Securities, calculated as of the Trade Date.

This Metal will be delivered from the relevant Secured Accounts to the applicable Securityholder Metal Account on the Redemption Settlement Date.

3.43 All title to and risk in such Metal shall pass to the Redeeming Securityholder on the relevant Redemption Settlement Date.

Metal Sale

3.44 In respect of an Optional Redemption, Metal Sale will apply where:

(a) provided it is permitted to do so in accordance with the Conditions, a Non-AP Securityholder selects Metal Sale as the Redemption Mechanism (for example where there are no Authorised Participants or where that Non-AP Securityholder is a Prohibited Metal Holder); or

(b) the Metal that is the subject of a Redemption is not successfully delivered to the Securityholder by the 30th day after the Redemption Settlement Date; or

as further detailed in Condition 7.8 (***Metal Sale***) in **Section 11 – Terms and Conditions of Metal Securities**.

3.45 Where Metal Sale is the applicable Redemption Mechanism:

(a) the Issuer will give notice to the Metal Agent under the Metal Agent Agreement to sell on the Metal Sale Date at least an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities being Redeemed (with the proceeds of such sale being the Actual Redemption Sale Proceeds);

(b) the Metal Agent shall be entitled to deduct Taxes and its expenses from the Actual Redemption Sale Proceeds in accordance with the terms of the Metal Agent Agreement; and

(c) a Securityholder will, rather than take delivery of Metal, be paid the Net Redemption Sale Proceeds in US dollars (or its pro-rata share of the Metal Entitlement if more than one Securityholder in that Class of Metal Securities is subject to the Metal Sale) into the Securityholder Cash Account.

Redemption Fee

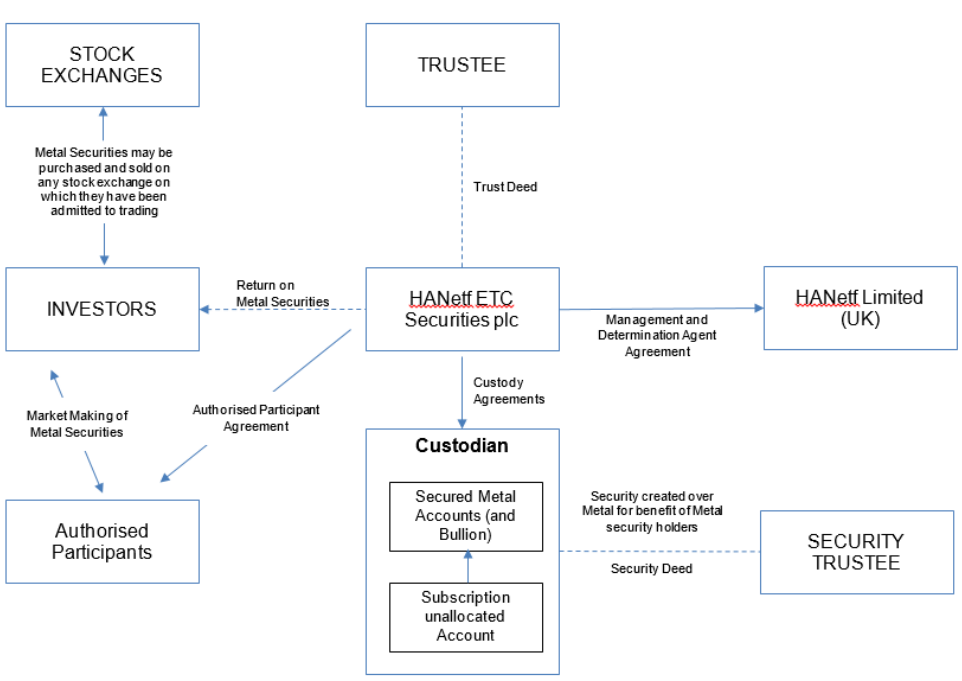
3.46 In the case of an Optional Redemption by a Non-AP Securityholder, the Issuer will not validate the associated Redemption Form until it receives the Redemption Fee in cleared funds from the Securityholder. The Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the Issuer's costs of complying with the Redemption Form. This cost will be notified to the Non-AP Securityholder at the time of the Redemption, and will not be greater than €600.

3.47 On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee payable by a Securityholder shall be the amount specified in the Operating Procedures.

3.48 On a Compulsory Redemption of Metal Securities by the Issuer, the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (***Notices***).

3.49 Further details of the Redemption processes are set out in the Conditions, which are set out in Condition 7 (***Redemption***) in **Section 11 – Terms and Conditions of Metal Securities**.

3.50 The principal aspects of the above-mentioned transaction structure are set out in the below diagram.



G. Compulsory Redemption

3.51 The Metal Securities shall become due and payable prior to their scheduled maturity date due to the occurrence of any of the events set out in Conditions 8.1 to 8.4 (inclusive) (***Compulsory Redemption***). Following the occurrence of any such event, the Issuer (and/or, in the case of an Event of Default, the Trustee following requisite direction by the Securityholders) may give notice designating an early redemption of the Metal Securities. These events include:

(a) **an Issuer Call Redemption Event**. The Issuer may, at any time, upon not less than 30 days' notice by an announcement on a RIS to the Securityholders, redeem all or some of the Metal Securities;

(b) **a Threshold Redemption Event**. If on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the cash value of the Metal Entitlement per Security as calculated by the Determination Agent is less than 175 per cent. of the Principal Amount of such Metal Securities;

(c) certain key service providers of the Issuer resign or their appointment in relation to such Class is terminated for any reason and no successor or replacement has been appointed at the time such resignation or termination takes place;

(d) a change in law occurs which results in (or the Issuer reasonably expects that such change in law will result in):

(i) the Issuer's performance of its obligations relating to the Metal Securities being in contravention of applicable law; or

(ii) a material increase in the Issuer's costs in performing its obligations relating to the Metal Securities;

(e) **an Event of Default**. An event of default occurs in respect of such Class including certain breaches by the Issuer of its obligations; and

(f) the Issuer may redeem any Metal Securities which it considers, in its absolute discretion:

(i) are held in breach of law; or

(ii) that the ownership of such Metal Securities would, in its reasonable opinion cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders.

H. Settlement

3.52 The Metal Securities may be issued:

(a) in bearer form, including in NGN form and in CGN form and serially numbered ("**Bearer Securities**");

(b) in registered form (whether in CGN form or in global registered form using the new safekeeping structure) ("**Registered Securities**"); or

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities ("**Uncertificated Registered Securities**").

3.53 The settlement of transactions in Metal Securities will take place within the Relevant Clearing System. Where the Relevant Clearing System used is CREST, the Metal Securities will be participating securities.

3.54 The Issuer (nor any other Programme Party) will have any responsibility for the performance of the Relevant Clearing System, which is independent of the Programme.

I. Tax

3.55 Your attention is drawn to **Section 12 – Tax** which provides information on taxation relating to the Metal Securities. If an investor is in any doubt about the tax position, it should consult a professional adviser.

J. Regulation

UCITS

3.56 UCITS Schemes will need to take into account the restriction on such schemes owning or taking delivery of gold. Accordingly, UCITS Schemes will be deemed to be Prohibited Metal Holders, and in the event that such a scheme elects to Redeem The Royal Mint Physical Gold ETC Securities (or any other Class backed by gold), such a Redemption will only be permitted by Metal Sale, as described in "**Metal Sale**", above and Condition 7.8 (***Metal Sale***).

3.57 The Metal Securities constitute transferable securities and are not in investment in gold. Prospective investors that are UCITS Schemes need to satisfy themselves that an investment in the Metal Securities would comply with any laws, regulations or guidelines applicable to them and would be in line with their individual investment objectives. If any such investor is in any doubt with regard to its ability to invest in the metal Securities, it should consult a professional advisor prior to making any investment in Metal Securities.

Collective Investment Schemes

3.58 The Metal Securities are not units in an authorised collective investment scheme and the Issuer is not required to seek authorisation as, or appoint, an AIFM, under the relevant Irish legislation implementing AIFMD (as defined below).

Money Laundering Regulations

3.59 The verification of identity requirements of all applicable Irish and EU anti-money laundering laws and regulations, to include, but not limited to, the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019, the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 (as amended by the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Acts 2013 and 2018) (the "**Applicable Irish and EU AML Legislation**") will apply to the Programme. This means that verification of the identity of parties that deals with the Issuer may be required. This includes all Authorised Participants and also in circumstances where a Non-AP Securityholder elects to Redeem its Metal Securities.

3.60 The anti-money laundering laws and regulations of other jurisdictions may also apply to the Programme and verification of the identity of the Securityholders.

3.61 Each Authorised Participant that submits a Subscription Form (and/or any Securityholder that deals directly with the Issuer) confirms that it is subject to and acts in compliance with the Applicable Irish and EU AML Legislation, the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (in relation to the UK) and/or any other applicable anti-money laundering laws and regulations (the "**UK Anti-money Laundering Regulations**") and/or undertakes to provide such other evidence of identity as is required by the Issuer at the time of lodging the Subscription Form, or, at the absolute discretion of the Issuer, at such specified time thereafter as may be requested to ensure compliance with the Applicable Irish and EU AML Legislation and the UK Anti-money Laundering Regulations.

3.62 The Issuer is entitled, in its absolute discretion, to determine whether KYC requirements apply to any Securityholder prior to the acceptable of a Redemption Form or Subscription Form, and whether such KYC requirements have been satisfied. The Issuer shall not be responsible or liable to any person for any loss or damage suffered as a result of it conducting KYC.

Deposits

3.63 Any investment in the Metal Securities does not have the status of a bank deposit and is not within the scope of the Deposit Guarantee Scheme operated by the Central Bank. The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Metal Securities.

SECTION 4 – DEFINITIONS

4.1 All terms and expressions not defined in this **Section 4 – Definitions**, which have defined meanings in **Section 11 – Terms and Conditions of Metal Securities** shall have the same meanings in this Prospectus.

4.2 With respect to this document (other than **Section 11 – Terms and Conditions of Metal Securities**), the following expressions have the following meanings:

"**BaFIN**" means the Bundesanstalt für Finanzdienstleistungsaufsicht, the German Federal Financial Supervisory Authority.

"**Bar List**" means that list of bars of Metal held in Secured Allocated Accounts, published by the Issuer on the Issuer's Website.

"**Conditions**" means the terms and conditions on and subject to which Metal Securities as set out in **Section 11 – Terms and Conditions of Metal Securities**.

"**CONSOB**" means the Commissione Nazionale per la Societá e la Borsa, the Italian financial supervisory authority.

"**Directors**" means the directors of the Issuer, being at the Prospectus Date persons whose names are listed as such in **Section 6 – Description of the Issuer**.

"**EEA State**" means a member of the European Economic Area.

"**EU**" means the European Union.

"**Euro**" **or** "**€**" means euro.

"**FCA**" means the Financial Conduct Authority of the United Kingdom and any successor thereto.

"**Fixing**" means in relation to each type of Metal on any day on which the Relevant Market is open for business, the price fixing process or processes conducted under or for the purposes of the rules and procedures of the Relevant Association to determine a price for that type of Metal on that day at that Fixing or any successor price fixing process or processes established or authorised by or on behalf of the Relevant Association.

"**Fixing Price**" means, in relation to any Fixing for any type of Metal, the price determined by the Fixing.

"**FSMA**" means the Financial Services and Markets Act 2000 of the United Kingdom.

"**Good Delivery**" means the refining standard and weights of Metal set by the Relevant Association.

"**ICSD**" means an International Central Securities Depositary.

"**Individual Securities**" means Metal Securities of a particular Class.

"**London Stock Exchange**" means London Stock Exchange plc or its market for listed securities (or any of such markets if the London Stock Exchange has at any time more than one such market), as the context may require.

"**Issuer Bank Account**" means, in respect of a Class, each cash account established by the Issuer with an Eligible Account Bank into which amounts received by or on behalf of the Issuer for the purpose of effecting Redemptions (including the Issuer Redemption Cash Account).

"**Main Market**" means the Main Market of the London Stock Exchange, which is part of its Regulated Market for listed securities.

"**Management Fee**" means the management fee payable by the Issuer to HANetf in consideration for the provision by HANetf or an Affiliate or successor of HANetf of all services provided under the Management and Determination Agent Agreement.

"**Metal Reference Price**" means, in respect of a Metal, the price of the Metal (expressed in USD) published by the Relevant Association in respect of such Relevant Association's official London pricing time for the Metal or, if there is more than one official pricing time for the Metal, the AM price or the PM price, as applicable.

"**MiFID2**" means EU Directive 2014/65/EU (the Markets in Financial Instruments Directive), as amended.

"**On-Exchange**" means the trading of Metal Securities on a Relevant Stock Exchange.

"**OTC Market**" means the global over-the-counter market for the trading of Metal.

"**ounces**" **or** "**oz**" means troy ounces. One troy ounce equals 31.1034768 grams.

"**PRA**" means the Prudential Regulation Authority of the United Kingdom and any successor thereto.

"**Programme**" means the programme for the issue of Metal Securities.

"**Prospectus**" means this base prospectus of the Issuer.

"**Prospectus Date**" means the date on which this Prospectus is approved by the Central Bank, as set out on the first page hereof.

"**Registered Office**" means the registered office of the Issuer being 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland.

"**Regulated Market**" means a regulated market for the purposes of MiFID2, as amended.

"**Relevant Market**" means, in respect of silver and gold, the London Metal market.

"**Secured Allocated Custody Agreement**" means a secured allocated custody agreement between the Issuer, a Custodian, the Security Trustee and the Administrator, and in respect of The Royal Mint Physical Gold ETC Securities means the Secured Allocated Gold Custody Agreement.

"**Secured Unallocated Custody Agreement**" means a secured unallocated custody agreement between the Issuer, a Custodian, the Security Trustee and the Administrator, and in respect of The Royal Mint Physical Gold ETC Securities means the Secured Unallocated Gold Custody Agreement.

"**Sub-Custodian** means a sub-custodian appointed by the Custodian as contemplated by a Custody Agreement.

"**Underlying Metal**" means the Metal held in the Secured Allocated Accounts, which backs the Metal Securities.

"**United Kingdom**" or "**UK**" means United Kingdom of Great Britain and Northern Ireland.

"**United States**" or "**US**" means the United States of America.

"**VAT**" means value added tax.

"**Vault**" means the secure vault(s) of a Custodian or Sub-custodian and in respect of the Royal Mint includes the Royal Mint Limited's vault for the secure storage and custody of gold located in South Wales.

4.3 References in this document to a particular time are, unless otherwise stated, references to the time applicable in London, United Kingdom.

4.4 Unless the context otherwise requires, references in this document to any agreement or documents includes a reference to such agreement or document, as amended, varied, novated, supplemented or replaced from time to time and unless otherwise stated or the context otherwise requires, references in this document to any statute or any provision of any statute include a reference to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or any such modification or re-enactment, in each case in force as at the date of this Prospectus.

SECTION 5 – PRECIOUS METAL MARKET OVERVIEW

The information provided below does not purport to be a complete summary of information relating to gold, its storage, trade associations or relevant legislation. Prospective purchasers of Metal Securities are advised to conduct their own independent investigation of any precious metal forming part of the Secured Property for the relevant Class of Metal Securities or consult with their relevant advisers as to the prospects and consequences of a purchase of Metal Securities linked to a particular precious metal.

A. Description of Physical Gold

Properties

5.1 Gold is a dense, lustrous, yellow precious metal that has been used for a long period of time as a store of value, as a unit of exchange and in jewellery. It is the most malleable and ductile metal known to man such that a single gram of gold can be beaten into a sheet of one square metre or a wire one mile long. Gold is a good conductor of heat and electricity, and it is unaffected by air, heat, moisture and most solvents. It is occasionally found in nuggets, but occurs more commonly as minute grains between mineral grain boundaries. Historically, gold was obtained by panning stream beds, but modern extraction techniques can economically recover gold from ore grades as low as 0.5 parts per million. Gold was used as a benchmark for the world monetary system between 1944 and 1971, when the Bretton Woods agreement fixed the world's paper currencies to the U.S. dollar, which in turn was fixed to the price of gold. The collapse of this system at the end of 1971 heralded not only freely floating exchange rates but also freely floating gold prices.

Major producers

5.2 Since 1905, South Africa had been the world's largest producer of gold. However, in 2007 China surpassed South African production. South African production has suffered from declining ore grades, maturing mines, power disruption and labour unrest during this decade. Today, China, Australia, Russia, the United States and Canada account for more than 40 per cent. of the world's annual gold mine production.

Major holders

5.3 Global central banks remain a powerful community in terms of the world gold market. According to statistics published by the World Gold Council in May 2017 (which were based on the most recent International Monetary Fund data at the time of preparation, some of which were from several months earlier), their combined holdings amounted to 33,375 tonnes.

5.4 According to those statistics, the largest holder of gold reserves is the United States with 8,134 tonnes, equivalent to 75.1 per cent. of the United States' total reserves. The average gold to total reserve ratio across all central banks is 15 per cent. However, in Europe ratios are significantly higher (with Germany holding the highest gold to total reserve ratio at 69.4 per cent.).

Major uses

The majority of gold consumption comes from the jewellery sector, alloys of gold with silver, copper and other metals are often used because pure gold is often too soft for ordinary use. When used in jewellery, the quality of gold is measured in karats (k), with pure gold being 24k, and lower numbers indicating higher copper or silver content, for example. Gold has some industrial uses due to its electrical conductivity, resistance to corrosion, reflectiveness, and other physical and chemical properties. It is used in electrical connectors and contacts, electronics, restorative dentistry, medical applications, chemistry and photography.

The data referred to in sections 5.2 - 5.4 above is sourced from the World Gold Council, 2019

B. Operation of the precious metals markets

5.5 Precious metals including gold, silver, platinum and palladium generally trade in the OTC Market on a 24-hour per day continuous basis. The OTC market includes spot, forwards, options and other derivatives transactions. There is also a developed market for exchange traded futures and options on precious metals, the most significant futures exchanges being the COMEX, a division of the New York Mercantile Exchange, the Chicago Board of Trade, and the Tokyo Commodity Exchange.

5.6 OTC trades are conducted directly between counter-parties who negotiate (a) their own terms and conditions and (b) risk and settlement arrangements. Market makers and other OTC market participants trade with each other and clients on a principal-to-principal basis, using relatively flexible terms for quotes, price, size, delivery point and other factors.

5.7 The main OTC centres are London, Zurich and New York. Market participants including central banks, mining companies, jewellery manufacturers, investors and speculators typically transact in one of these markets. Most of the world's bullion dealers are members or associate members of the LBMA and LPPM.

5.8 OTC liquidity varies throughout the 24-hour trading day. Typically, liquidity is greatest when trading in European and US time zones overlaps, which also coincides with futures and options trading on COMEX. This period lasts for approximately four hours each New York business day morning.

C. Trading Location

5.9 Although the market for physical gold and silver is distributed globally, most OTC market trades are cleared through London. Amongst other things, the LBMA is the trade association that co-ordinates the activities conducted in the London bullion market, and acts as the principal point of contact between the market and its regulators. The LBMA:

(a) sets refining standards by maintenance of the London Good Delivery Lists (which are the lists of the LBMA accredited melters and assayers of gold and silver);

(b) co-ordinates market clearing and vaulting;

(c) promotes good trading practices; and

(d) develops standard documentation.

5.10 The LBMA publishes a list of specifications for a gold or silver bar to be accepted for trading in the London bullion market. This list of specifications is called the "**London Good Delivery List**" and these requirements are set out in "**The Good Delivery Rules for Gold and Silver Bars**" published by the LBMA.

D. Good Delivery

5.11 The LBMA "**Good Delivery List**" is now widely recognised as representing the de facto standard for the quality of gold and silver bars due to the stringent criteria for assaying standards and bar quality that an applicant must satisfy in order to be listed.

Trading Units

(a) **Troy ounces:** The traditional unit of weight used for precious metals. The term derives from the French town of Troyes, where this unit was first used in the Middle Ages. One troy ounce is equal to 1.0971428 ounces avoirdupois.

Where one kilogram is equal to 32.1507465 troy ounces, the accepted conversion factors between troy ounces and metric units become:

1,000 grams = 32.1507465 troy ounces

1 gram = 0.0321507465 troy ounces

so 1 troy ounce = ((1/32.1507465) X 1,000) = 31.1034768 grams.

For gold, this is one fine troy ounce. The unit represents pure gold irrespective of the purity of a particular bar. Generally, in relation to gold, all references to ounces mean fine troy ounces.

(b) **Fineness:** A measure of the proportion of gold in a bullion bar. It therefore defines the purity of a gold bar.

(c) **Assaying:** The process by which fineness is determined. The fineness of gold jewellery is usually expressed in carats (parts of fine gold per 24). Eighteen-carat jewellery is therefore 750 fine in bullion market terms.

E. Unit for Delivery of Loco London Gold

5.12 The unit for delivery of loco London gold is the London Good Delivery gold bar ("**LGD gold bar**"). It must have a minimum fineness of 995.0 and a gold content of between 350 and 430 fine troy ounces with the bar weight expressed in multiples of 0.025 of an ounce (which is the smallest weight used in the market). Bars are generally close to 400 ounces or 12.5 kilograms. The LBMA document The Good Delivery Rules for Gold and Silver Bars describes the rules for weighing bars and how the numbers can be rounded. Gold bars are weighed using a beam balance. When weighing a gold

bar, it must "turn the scale" when the correct weight is placed on the scale. If a bar does not "turn the scale," then the recorded weight is reduced by 0.025 of an ounce.

5.13 "Turn the scale" means that the indicator needle on the beam balance moves at least two divisions of 0.002 ounce each in favour of the bar.

5.14 Fine gold content refers to the actual quantity of pure gold in a bar and is expressed to three decimal places. The fine gold content is calculated by multiplying the recorded gross weight by the fineness (to one decimal place). Rounding of the third decimal in the resulting figure is allowed if the fourth decimal prior to any rounding is a nine.

5.15 Additionally, each gold bar must bear the following markings:

(a) the serial number;

(b) the assay stamp of refiner;

(c) the fineness (to four significant figures); and

(d) the year of manufacture (expressed in four digits).

5.16 LGD gold bars must conform to the specifications for Good Delivery set by the LBMA. A variety of smaller exact weight bars is available for sale to wholesale clients in addition to LGD gold bars, however for the purposes of the Programme all gold bars that form part of the Secured Property are intended to conform to the specifications for Good Delivery set by the LBMA.

5.17 Further information, including The Good Delivery Rules, can be found on http://www.lbma.org.uk/delivery.

F. Storage

Allocated Accounts

5.18 Allocated accounts are accounts held by dealers in clients' names on which are maintained balances of uniquely identifiable bars of gold "allocated" to a specific client and segregated from other gold held in the vault of that dealer.

5.19 The client has full title to this gold with the dealer holding it on the client's behalf as custodian. Gold in an allocated account does not form part of a gold dealer's assets. Clients' holdings will be identified in a weight list of bars showing the unique bar number, gross weight and the assay or fineness of each bar and its fine weight. Credits or debits to the holding will be effected by segregation of bars to or from the client's segregated holding. An allocated account cannot, by definition, be overdrawn.

5.20 For a description as to how allocated accounts are used in the Programme, see **Section 3 – Description of the Programme**.

Unallocated Accounts

5.21 Unallocated accounts are accounts held by dealers in clients' names on which are maintained balances of gold that represent an entitlement of the client to have equivalent amounts of gold delivered by the dealer. The balances do not represent uniquely identifiable bars of gold "allocated" to a specific client. Unallocated accounts represent the easiest and most popular way of trading, settling and holding bullion and are integral to the loco London mechanism for these metals.

5.22 The unit of these accounts in respect of gold is fine troy ounces of gold based upon a 995.0 fine LGD gold bar. The simplicity of this arrangement is reflected in the fact that transactions may be settled by credits or debits to the account while the balance represents the indebtedness between the two parties. Credit balances on the account do not entitle the creditor to specific bars of gold, but instead represent a right of the client to call for delivery of the relevant amount of gold. This right is purely contractual and, as such, the client is an unsecured creditor of the custodian and is exposed to the general credit risk of the custodian (as explained in more detail in ***Risks Relating to the Custodian and the Metal Agent*** in **Section 2 – Risk Factors**).

5.23 Should the client wish to receive actual gold, this is done by "allocating" specific bars, the gold content of which is then debited from the unallocated account. Such allocation will usually incur a cost to the client as allocated metal requires more management and administration than unallocated metal. Market convention is that gold may be allocated on a relevant London Business Day on which it is called for, with gold generally available for collection within two London Business Days. This time frame can be shortened or lengthened by mutual agreement depending upon amount and prevailing market conditions.

5.24 For a description as to how unallocated accounts are used in the Programme, see **Section 3 – Description of the Programme**.

G. The Fixing Price

5.25 The London market provides a metal pricing service whereby the fixing price is intended to represent the matching of orders from customers throughout the world. Historically the Fixings in each of the Relevant Markets took place by telephone every day on which members are open for dealing in London. Since 2014, a number of changes have been implemented to the Fixing Price for each type of Bullion to introduce new auction processes.

Gold

5.26 On 20 March 2015, ICE Benchmark Administration began administering the operation of an electronic, tradable and auditable, over-the-counter auction market with the ability to settle trades in US Dollars, Euros or Sterling for LBMA-authorised participating gold bullion banks or market makers. This auction establishes a reference gold price for that day's trading. This auction is the gold valuation replacement selected by the LBMA for the "London Gold Fix" previously determined by the London Gold Market Fixing Ltd. that was discontinued on 19 March 2015. The

new auction process, like the previous gold fixing process, establishes and publishes fixed prices for fine troy ounces of gold twice each London trading day during fixing sessions beginning at 10:30 a.m. and 3:00 p.m. (together the "**LBMA Gold Price**").

Documentation

5.27 London Precious Metals Clearing Limited ("**LPMCL**") has published the standard forms of Allocated Precious Metals Accounts Agreement and Unallocated Precious Metals Accounts Agreement (latest versions dated 7 July 2008 and 5 October 2007 respectively) setting out the standard terms on which custodians hold precious metals in allocated and unallocated accounts on behalf of clients. These LPMCL standard forms have superseded the earlier versions published by the LBMA.

5.28 The LBMA has published a number of other standard documents and agreements which cover the terms and conditions for dealing in spot, forward, options and derivatives transactions in the OTC gold market. In all dealings in gold the Issuer will, to the extent possible, use the standard LPMCL and LBMA documentation, amended as required in connection with The Royal Mint Physical Gold ETC Securities.

H. Regulation

5.29 As far as the London bullion market is concerned, regulation falls under two categories, the companies involved and the market itself. The PRA at the Bank of England (website: http://www.bankofengland.co.uk) is responsible for prudential banking regulation of most of the financial firms that are active in the bullion market. The PRA works closely with the FCA (website: http://www.fca.org.uk) which is responsible for consumer and competition issues.

5.30 Under FSMA, all United Kingdom based banks, together with other investment firms, are subject to a range of requirements including capital adequacy, liquidity and systems and controls. Conduct of business in the London bullion market however falls under two jurisdictions dictated by the type of business. The FCA is responsible for "investment business" as defined under FSMA, which for the bullion market covers derivatives.

5.31 The requirements upon firms in their dealings with market professionals are set out in MiFID2, which became effective on 1 January 2018. For spot, forwards and deposits in gold which are not covered by FSMA, guidelines for the conduct of business are set out in The London Code of Conduct for Non-Investment Products (the "**London Code**"). This London Code has been drawn up by market practitioners representing the foreign exchange, money and bullion markets in conjunction with the Bank of England. It sets out the standards of conduct and professionalism expected between market practitioners and their clients.

5.32 In June 2014, the UK HM Treasury announced a review in relation to the way in which wholesale financial markets operate. Following this review the FCA published a policy statement implementing the regulatory and supervisory regime for seven additional benchmarks in the fixed income, commodity and currency markets to be treated as "regulated benchmarks" in the UK. This included the LBMA Gold Price and became

effective as of 1 April 2015. The consequence of this meant that administrators responsible for these benchmarks will need to be regulated and comply with the relevant FCA regulations. However, this did not mean participants involved in auction rounds during the price setting process will be regulated by the FCA as they are not considered to be price submitters.

SECTION 6 – DESCRIPTION OF THE ISSUER

A. Information Contained in this Section

6.1 No Programme Party aside from the Issuer has verified the accuracy of the information contained in this section. Prospective investors in Metal Securities should conduct their own due diligence on the Issuer.

B. General Information About the Issuer

6.2 The Issuer, HANetf ETC Securities plc, was incorporated in Ireland on 24 January 2020 as a public limited company under Irish law with registration number 664945. The Issuer has been incorporated for an indefinite period. The Issuer has been established for the purpose of issuing Metal Securities and entering into agreements relating to the Metal Securities and the underlying Metal.

6.3 The registered office of the Issuer is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland. The telephone number of the Issuer is + 353 1 411 2949.

6.4 The Issuer has obtained all necessary consents, approvals and authorisations in connection with the establishment of the Programme. The establishment of the Programme was authorised by a resolution of the board of the Issuer passed on 27 January 2020.

C. Shareholders and Share Capital

6.5 The shares in the Issuer are all held by Apex Corporate Services (Ireland) Limited, a company incorporated in Ireland. Further details of Apex Corporate Services (Ireland) Limited are set out at the section entitled "***Administrator***", below.

6.6 No other party to the Programme owns or controls the Issuer and the Issuer does not have any subsidiary undertakings.

6.7 As at the Prospectus Date, the authorised share capital of the Issuer is €25,000 divided into 25,000 ordinary shares of €1 each, 6,250 of which have been issued and fully paid up to the amount of €6,250 and are held by Apex Corporate Services (Ireland) Limited on trust for charitable purposes.

D. Operations of the Issuer

6.8 The Issuer is a newly incorporated public limited company. The Issuer has no prior operating history or revenues upon which may be used to evaluate its likely performance and the performance of the Metal Securities.

6.9 The Issuer has not been assigned a credit rating and it is not intended that any Metal Securities will be assigned credit ratings.

6.10 The business of the Issuer is limited to the performance of its obligations under any Metal Securities issued under the Programme, as detailed in clause 8.22(a) of the Master Trust Deed.

6.11 Other than the subscription monies received in respect of the issued share capital (to the extent not applied in discharge of certain establishment expenses of the Issuer), the Issuer has, and will have, no assets other than a small amount of profit received by the Issuer in connection with the issue of each Class.

6.12 The Metal Securities are obligations of the Issuer alone and are not guaranteed in any way by any other party.

E. Directors

6.13 The Directors of the Issuer (as at the Prospectus Date) are described below:

Michael Carroll

Michael is Head of Apex Corporate Services Ireland and a board member of Apex Corporate Services (Ireland) Limited with responsibility for establishing and managing the strategic direction, growth, and risk of the business within the local market. Michael has 12 years' experience in the capital markets industry with Deutsche Bank, primarily involved with the management and administration of Special Purpose Vehicles involved in a variety of transactions including RMBS, CMBS, Trade Receivables, Commercial Paper Conduits, CDO and CLO securitizations and repackaging platforms for a range of Investment Banks and Asset Managers. Michael is Irish, holds a Bachelor of Business Studies from Dublin Business School, Post and a MSc in Investments Treasury and Banking from Dublin City University.

Michael is a director of Apex Corporate Services (Ireland) Limited.

Niall Vaughan

Niall joined the Apex Group in July 2018 with over 17 years of experience in financial services across a range of roles from accountancy practitioner, through financial controller within RBS Structured Products Group, to the Head of Accounting for Deutsche Bank's Irish Corporate Services business, where he had oversight of the delivery of accounting services to 500+ SPVs. In his role at Apex Corporate Services (Ireland) Limited, Niall is responsible for the design and delivery of accounting services to all Capital Markets clients. Niall is a board member of Apex Corporate Services (Ireland) Limited, acts as the Apex Corporate Services contact for accountancy matters with all Irish Regulatory Bodies and also sits on the Irish Debt Securities Association finance committee. Niall is Irish, has a Bachelor of Business Studies, is a Fellow Member of the Association of Chartered Certified Accountants and is a Qualified Financial Advisor.

Niall is a director of Apex Corporate Services (Ireland) Limited.

Ignatius Faissal

Ignatius is Head of Product Development at HANetf and has extensive experience of product strategy, structuring and operations across a range of asset classes in Unit

Trusts, UCITS and Non-UCITS and ETFs. Ignatius has over 18 years of funds and asset management experience and overall 20 years of financial industry experience. Prior to joining HANetf, Ignatius held senior roles at Man Group, Credit Suisse and Aviva Investors. In 2014, Ignatius joined WisdomTree Europe where he helped build their new ETF platform and was responsible for product structuring and the launch of WisdomTree's UCITS ETFs. Ignatius is British, has received an MBA from Manchester Business School, is a qualified Accountant and holds a BSc in Mathematics for Business.

F. Administrator

6.14 The information set out in this section headed ***Administrator*** has been obtained from Apex Corporate Services (Ireland) Limited and Apex Fund Services (Ireland) Limited (the "**Administrator**"). Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by the Administrator, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Prospectus shall not create any implication that there has been no change in the affairs of the Administrator since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

6.15 The Issuer has also appointed the Administrator, pursuant to the terms of the Administration Agreement to carry out certain operation functions on behalf of the Issuer with respect, in particular, to the settlement process on a Subscription for, or Redemption of, Metal Securities, including instructions to the Custodian on behalf of the Issuer to transfer Metal into and out of a Secured Account, in accordance with the terms of the Operating Procedures.

6.16 An Affiliate of the Administrator, Apex Corporate Services (Ireland) Limited acts as the corporate administrator of the Issuer. Its duties include the provision of directorships and shareholder services, accounting and reporting, regulatory and tax compliance and certain transaction management services. The business address of the Administrator is 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin, D01 P767, Ireland.

6.17 Apex Corporate Services (Ireland) Limited also acts as the company secretary of the Issuer.

6.18 Apex Corporate Services (Ireland) Limited was established on 2 August 2018 and is licensed by the Department of Justice as Trust or Company Services Provider. The Administrator and Apex Corporate Services (Ireland) Limited are part of the Apex Group, a global financial services organisation, and the fifth largest fund administrator in the world, that retains a focus on high client service levels delivered locally. Originally established in Bermuda in 2003 by Chairman and Founder, Peter Hughes, the Apex Group now has over 3,000 staff across 40+ offices in 29 jurisdictions globally and administers circa $650bn in assets. The Apex Group provides a full suite of products surrounding its core offering across fund solutions, corporate solutions, and financial solutions. Globally, the Apex Group administers over 6,000 structures.

G. HANetf

6.19 The information set out in this section headed ***HANetf*** has been obtained from HANetf Limited. Such information has been accurately reproduced and, as far as the Issuer is aware, no facts have been omitted that would render the reproduced information inaccurate or misleading. Delivery of this Prospectus shall not create any implication that there has been no change in the affairs of HANetf since the Prospectus Date, or that the information contained or referred to in this section is correct as of any time subsequent to its date.

6.20 The Issuer and HANetf have entered into a Management and Determination Agent Agreement in relation to the Programme pursuant to which HANetf provides operational support services to the Issuer in relation to the Programme, including obligations in relation to the making of certain calculations and determinations in relation to the Metal Securities. As at the Prospectus Date, HANetf is the Determination Agent in respect of the Programme.

6.21 HANetf is currently an appointed representative of Mirabella Advisers LLP which is authorised and regulated by the UK Financial Conduct Authority. HANetf Limited provides a variety of services to exchange traded products including but not limited to launching exchange traded products on platforms it establishes, on-going operational support, marketing, capital markets and distribution and product development.

6.22 As stated in the section entitled ***Operations of the Issuer***, above, the Metal Securities are obligations of the Issuer alone and not of HANetf.

H. Financial Information

6.23 The Issuer is recently incorporated and has not yet commenced operations. As at the Prospectus Date, the Issuer has not drawn up audited financial statements.

6.24 The Issuer intends to publish half-yearly and yearly financial statements for each financial year.

6.25 The Issuer will publish half-yearly financial statements by November 30 in each year. The Issuer will publish yearly financial statements by July 31 in each year.

6.26 The auditor of the Issuer is Ernst & Young, a member of Chartered Accountants Ireland.

6.27 The Issuer is a "*public-interest entity the business of which is to act as issuer of asset-backed securities*" (as such term is used in Directive 2006/43/EC of the European Parliament and of the Council (the "**Accounts Directive**"). As noted in 6.11 above, the business of the Issuer consists of the issue of Metal Securities and related activity relevant to its obligations towards making payments in respect of the Metal Securities. The Issuer is not therefore an operating business and, in accordance with Article 41.6(c) of the Accounts Directive, does not consider it appropriate to have either an

audit committee or an administrative or supervisory body entrusted to carry out the functions of an audit committee.

I. Conflicts of Interest

6.28 Mr. Carroll and Mr. Vaughan are also directors of Apex Corporate Services (Ireland) Limited, a provider of services to the Issuer and the sole shareholder of the Issuer. Mr. Faissal is also an employee of HANetf. While these roles could potentially lead to conflicts of interest, the Directors do not believe that, as at the Prospectus Date, there are any actual conflicts of interest between the duties which the directors and/or members of the administrative, management and supervisory bodies of the Issuer owe to the Issuer, and the private interest and/or other duties that such persons may have. The Apex Group and HANetf have in place conflicts of interest policies that are designed to prevent conflicts of interest arising and mitigate the effect of conflicts of interest, should they arise.

6.29 Save as specifically stated herein, none of the principal activities performed by the Directors outside the Issuer are significant with respect to the Issuer and they have no interests that are material to the Programme. In addition, there are no conflicts of interest between members of the administrative, management and supervisory bodies of the Issuer and the private interest of such members.

SECTION 7 – DESCRIPTION OF DOCUMENTS

7.1 The following is a summary of the key provisions of the main Programme Documents, namely:

(a) the Trust Deed

(b) the Custody Agreements

(c) the Security Deed

(d) each Authorised Participant Agreement

(e) the Metal Agent Agreement

(f) the Administration Agreement

(g) the Management and Determination Agent Agreement

(h) the Issuing and Paying Agent Agreement

7.2 The summaries below are of certain provisions of the Programme documents and do not purport to be complete and are subject to the detailed provisions of the relevant Programme documents. Each of these documents (with the exception of the Authorised Participant Agreements) is available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland, during normal business hours on any Dublin Business Day:

7.3 The summaries below are drafted in legal language, however, details on how each of the documents impacts on Securityholders is contained throughout this Prospectus including in **Section 3 – Description of the Programme**.

A. Trust Deed

7.4 Each Class of Metal Securities will be constituted by a master trust deed dated on or about the Programme Effective Date between the Issuer and the Trustee, as trustee for the holders of the Metal Securities and the other persons specified therein (as amended, supplemented, novated and/or replaced from time to time, (the "**Master Trust Deed**").

7.5 The Master Trust Deed may from time to time be supplemented and/or amended by a supplemental trust deed relating to that Class and made between the Issuer and the Trustee (as amended, supplemented, novated and/or replaced from time to time, a "**Supplemental Trust Deed**"). The Master Trust Deed and any Supplemental Trust Deed in respect of each Class of Metal Securities are referred to together as the "**Trust Deed**".

7.6 Each Trust Deed sets out the obligations of the Issuer and the Trustee in respect of the relevant Class.

7.7 In respect of the Issuer, the Trust Deed sets out, amongst other things:

(a) the Issuer's covenants to pay and to deliver;

(b) provisions relating to the Issuer's duty to provide, prepare and display certain information;

(c) the extent to which the Issuer may delegate its obligations;

(d) the Issuer's duties with respect to its obligations under the Metal Securities; and

(e) the Issuer's capacity only to do such things as are contemplated in the Trust Deed.

7.8 In respect of the Trustee, the Trust Deed sets out, amongst other things:

(a) the basis for the Trustee's remuneration;

(b) the indemnification of the Trustee in respect of its duties;

(c) that the Trustee may delegate all or any of its functions in respect of the Metal Securities when it considers it expedient and in the interests of the Securityholders;

(d) the conditions for the Trustee's appointment, removal and retirement; and

(e) provisions supplemental to certain statutory provisions which set out the extent of the Trustee's powers and its duties.

7.9 Save in the case of fraud, wilful misconduct or gross negligence, the Trustee is not liable for any loss of, diminution in value or theft of the Metal Securities and/or the underlying Metal.

B. Custody Agreements

7.10 The Issuer, the Custodian, the Security Trustee and the Administrator will enter into English law governed custody agreements relating to the Secured Allocated Account(s) and the Secured Unallocated Account(s) for each Class.

7.11 In respect of one or more Classes, the Secured Allocated Account will be established pursuant to the Secured Allocated Custody Agreement. The Secured Unallocated Account will be established pursuant to the Secured Unallocated Custody Agreement. The Issuer may enter into one Secured Allocated Custody Agreement and one Secured Unallocated Custody Agreement with a Custodian in respect of more than one Class.

Secured Allocated Custody Agreement and the Secured Allocated Account

7.12 The Secured Allocated Custody Agreements set out the duties of the Custodian in relation to the relevant Class, including (without limitation) the obligation to:

(a) establish and maintain segregated accounts in the name of the Issuer referencing the relevant Class for the deposit of Metal in allocated form to be held for the Issuer and to facilitate certain deposits of Metal into, and withdrawals of Metal out of, such accounts in accordance with the terms of the Custody Agreement;

(b) in relation to each Class for which the Custodian holds Metal in allocated form for the Issuer with a Sub-custodian, establish and maintain a segregated account with such Sub-custodian in the name of the Custodian for the deposit of Metal in allocated form; and

(c) to segregate the Metal transferred to it or keep any Metal deposited pursuant to the relevant Custody Agreement separately identified from that deposited with it in relation to any other Class of Metal Securities;

each such account being part of the Secured Allocated Account.

Secured Unallocated Custody Agreement and the Secured Unallocated Account

7.13 The Secured Unallocated Custody Agreements set out the duties of the Custodian in relation to the relevant Class, including (without limitation) the obligation to establish and maintain:

(a) an account in the name of the Issuer referencing the relevant Class for the deposit of Metal in unallocated form and to facilitate certain deposits of Metal into, and withdrawals of Metal out of, such accounts in accordance with the terms of the Custody Agreement; and

(b) in relation to each Class for which the Custodian holds Metal in unallocated form for the Issuer with a Sub-custodian, an account with such Sub-custodian in the name of the Custodian for the deposit of Metal in unallocated form which the Sub-custodian has an obligation to transfer to the Custodian;

each such account being part of the Secured Unallocated Account.

7.14 The terms of the Custody Agreements provide that the Custodian may appoint a Sub-custodian (such Sub-custodian being regulated by the FCA and/or the PRA). The Sub-custodians may themselves select sub-custodians to provide temporary custody and safekeeping services. The Custodian is required to use reasonable care in the appointment of any Sub-custodian and, when appointing any Sub-custodian, is obliged to request that any such Sub-custodian segregates the Metal in respect of the relevant Class from Metal held in respect of any Class and from Metal the Sub-custodians owns or holds on behalf of other clients.

7.15 In accordance with the terms of the Custody Agreement relating to a Class, to the extent that any Metal held for the Custodian on behalf of the Issuer with a Sub-custodian, this shall in no way limit or relieve the Custodian of its responsibilities or liabilities under such Custody Agreement and the Custodian shall remain fully liable with respect to any Metal as if it had retained possession of it.

7.16 Further information about the Custodian and the storage and insurance of the Secured Metal is set out under the heading "Contract Structure" in **Section 3 – Description of the Programme**.

7.17 In respect of The Royal Mint Physical Gold ETC Securities, the Issuer, the Security Trustee, the Administrator and The Royal Mint Limited (as Custodian) have entered into:

(a) the Secured Allocated Gold Custody Agreement, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Allocated Gold Account; and

(b) the Secured Unallocated Gold Custody Agreement, pursuant to which The Royal Mint Limited will hold the Underlying Metal in a Secured Unallocated Gold Account

(together the "**Secured Gold Custody Agreements**").

7.18 Pursuant to the terms of the Secured Gold Custody Agreements, the Custodian is under no duty or obligation to provide insurance for the benefit of the Issuer in respect of the Underlying Metal held in the Secured Accounts.

7.19 Instead, the Custodian will make such insurance arrangements for its own benefit in connection with its custodial obligations under the Secured Gold Custody Agreements as it considers appropriate. The Custodian (and not the Issuer) will be solely responsible for all costs, fees and expenses (including any relevant taxes) in connection with any such insurance policy.

C. Security Deed

7.20 In respect of each Class, the Issuer and the Security Trustee will enter into an English law governed Security Deed, creating Security over all of the Secured Property attributable to the Metal Securities for the benefit of the Security Trustee and the Securityholders and other Secured Parties.

7.21 The Security Deed will set out, among other things, provisions relating to the creation and enforcement of the Security, the appointment of receivers and the rights of the Security Trustee in relation to the Secured Property.

7.22 The Security Deed (by reference to the Trust Deed) also contains provisions relating to the Trustee's application of the net proceeds derived from the realisation of the Secured Property (whether by way of liquidation or enforcement).

7.23 For further information, please see **Section 9 – Security Arrangements** and Condition 6 (***Security***).

D. Authorised Participant Agreements

7.24 The Issuer may enter into English law governed authorised participant agreements with Authorised Participants in relation to each Class of Metal Securities. These

agreements will set out the terms on which each Authorised Participant will act as Authorised Participant in relation to a Class of Metal Securities.

7.25 In particular, an Authorised Participant Agreement will specify the terms on which the relevant Authorised Participant may submit Subscription Forms and Redemption Forms and will also set out the terms on which an Authorised Participant may offer, sell or deliver Metal Securities and contains certain representations, warranties and undertakings of the Authorised Participant in relation thereto.

7.26 Each Authorised Participant Agreement will also include indemnities from the relevant Authorised Participant relating to the representations and warranties given by it in such agreement.

7.27 Only an Authorised Participant may submit a Subscription Form and the Issuer will only accept any such Subscription Form if it is made by an Authorised Participant and all conditions to Subscription are satisfied.

E. Metal Agent Agreement

7.28 The Issuer, the Security Trustee and a Metal Agent will enter into one or more English law governed Metal Agent Agreements in relation to a Class of Metal Securities. As at the Prospectus Date, the Metal Agent in respect of The Royal Mint Physical Gold ETC Securities is The Royal Mint Limited.

7.29 Pursuant to the terms of a Metal Agent Agreement, the Metal Agent will, on notice from the Issuer or the Security Trustee on enforcement of the Security, sell Metal on the Metal Sale Date in a timely fashion in order to give effect to a Redemption by way of Metal Sale.

7.30 The Metal sold by the Metal Agent will be an amount of Metal forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities being Redeemed.

7.31 In selling the Metal, the Metal Agent is authorised under the Metal Agent Agreement to:

(a) take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the Metal Sale Date and may do so in one or more transactions; and

(b) deduct from the actual sale proceeds (i) any Taxes arising from or connected with any such sale of Metal, (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions; and (iii) any Over-allocated Metal Cash Proceeds (which are for the account of the Custodian).

7.32 The Metal Agent will then transfer the actual sale proceeds of such Metal Sale to the Issuer Redemption Cash Account for remittance to the relevant Securityholder (less any applicable fees).

7.33 Additionally, any accrued Metal representing the reduction in the Metal Entitlement per Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account to the Metal Agent in accordance with the relevant Custody Agreement and in certain circumstances will be sold, and its proceeds paid to the order of the Issuer, in accordance with the Metal Agent Agreement.

F. Administration Agreement

7.34 The Issuer has entered into an Irish law governed Administration Agreement with the Administrator relating to the provision of administration services in respect of the Programme and the Metal Securities.

7.35 The Administration Agreement sets out the duties and obligations of the Administrator in relation to the Metal Securities and the basis for its remuneration, liability and indemnification. It also sets out the standard of service expected of the Administrator, the procedure for the remediation of any breaches and the compensation payable by the Administrator in respect of such breaches.

7.36 Services provided by the Administrator under the terms of the Administration Agreement include:

(a) transaction processing services (including account opening, customer due diligence and the processing of Subscriptions);

(b) valuation services (including calculation of the Metal Entitlement per Security and the reduction of the Metal Entitlement each day by the deduction of the Total Expense Ratio).

7.37 Under the Administration Agreement, the Administrator is required to provide its services with reasonable skill, care and diligence.

7.38 The Administrator will be liable for any losses suffered by the Issuer to the extent arising from the negligence, wilful default, bad faith or fraud on the part of the Administrator or any of its officers, employees, agents or delegates. Under the terms of the Administration Agreement, the Issuer indemnifies the Administrator against, and holds it harmless from all liabilities, damages, costs, claims, and expenses (including and without limitation reasonable and properly vouched legal expenses) incurred by the Administrator in the performance of any of its obligations or duties under the Administration Agreement.

7.39 Each of the Issuer and the Administrator may terminate the Administration Agreement on 90 days' prior written notice.

7.40 On the termination of the Administration Agreement for any reason, the Administrator will cooperate with the Issuer and any replacement service provider, acting in good faith, and provide such reasonable assistance and information as may be necessary

or appropriate in order to facilitate and implement an orderly transition of the administration services.

G. Management and Determination Agent Agreement

7.41 The Management and Determination Agent Agreement between the Issuer and HANetf sets out terms on which HANetf undertakes to provide certain management and calculation services to the Issuer in connection with the Metal Securities, including payment of the Management Fee.

7.42 These services include:

(a) such services as are required by the Issuer and requested of and accepted by HANetf from time to time in connection with the Programme;

(b) in connection with the issue of the Metal Securities, advising on the structural features of such Metal Securities, including advising on the structure, drafting and content of any Programme Documents, related service agreements, and any other arrangements in connection with the operation and establishment of the Programme and the issue of Metal Securities under such Programme;

(c) liaising with and coordinating, as appropriate, with any service provider to the Issuer in respect of the issue Metal Securities from time to time including but not limited to professional such as legal advisors and accountants;

(d) recommending potential Custodians, Authorised Participants and Metal Agents to the Issuer and arranging for such counterparties to enter into transactions with the Issuer including negotiation of the terms of such transactions;

(e) assisting the Issuer in applying for and attaining any requisite approvals, consents and authorisations required in relation to marketing, offering, selling and trading the Metal Securities, including assisting the Issuer in applying for approval of this Prospectus from the Central Bank of Ireland; passporting the approved Prospectus to other EEA competent authorities; and listing the Metal Securities.

(f) development of websites and investor communications; and

(g) the making of certain calculations and determinations in relation to the Metal Securities and the giving of such notices of the outcome thereunder as expressly required to be performed under the Programme including;

(i) calculation of any amount, price, rate or value required to be calculated by the Determination Agent under the Programme;

(ii) determination of a Disruption Event in accordance with the terms of the Programme, without any obligation to monitor whether or not a Disruption Event has occurred; and

(iii) notification of the end of a Suspension Period as required under the Programme.

7.43 The Issuer acknowledges that HANetf is not authorised by the Central Bank in connection with its provision of the services pursuant to the Management and Determination Agent Agreement and the Issuer will not require HANetf to provide, and HANetf shall not provide or agree to provide to the Issuer, any services which would require it to be so authorised unless and until such authorisation has been obtained.

H. Issuing and Paying Agent Agreement

7.44 The Issuing and Paying Agent Agreement between, amongst others, the Issuer, the Issuing and Paying Agent and HANetf Limited sets out terms on which the Issuing and Paying Agent is appointed for the Programme and the duties and obligations of the Issuing and Paying Agent.

7.45 These duties include: (i) acting as the paying agent of the Issuer with respect to such payments on Redemption or any other payments in respect of the Metal Securities notified to the Issuer; (ii) maintaining independent records of securities; (iii) communicating information to the relevant International Central Securities Depositary; (iv) issuing and authenticating new securities for transfer of securities as a result of a subscription; and (v) maintaining ownership record for registered notes.

7.46 The Issuing and Paying Agent Agreement provides that payment in respect of the Metal Securities will be made through the relevant International Central Securities Depositary in accordance with the standard practices of the applicable International Central Securities Depositary.

7.47 The Issuer, or HANetf acting on behalf of the Issuer, shall provide the issuing and Paying Agent with all information in relation to the Metal Securities that is required for the Issuing and Paying Agent to perform its duties, including providing payment instructions.

7.48 The Issuing and Paying Agent Agreement can be terminated by any party upon not less than 60 days' written notice.

7.49 At the date of this Prospectus, Bank of New York Mellon, London Branch has been appointed as the Issuing and Paying Agent.

SECTION 8 – DETERMINING THE VALUE OF AN INVESTMENT IN METAL SECURITIES

A. Rights of Securityholders

8.1 Each Metal Security benefits from equal rights and payment and equal security, without any preference amongst themselves.

8.2 Each Metal Security has a face value known as the "**Principal Amount**". A Securityholder may elect to receive an amount in cash equal to the Principal Amount instead of the amount otherwise specified on a Redemption, as detailed in Condition 4 (***Constitution and Status***). The Principal Amount in respect of a Class of Metal Securities will be set out in the Final Terms. For the purposes of the Prospectus Regulation, the Principal Amount of each Metal Security of a Class shall be regarded as the minimum Denomination of such Metal Security.

B. Entitlement on Redemption

8.3 Each Class has a separate Metal Entitlement per Security. As at the Issue Date of The Royal Mint Physical Gold ETC Securities, the Metal Entitlement per Security is 0.01 fine troy ounce of gold.

8.4 Each Metal Security carries a right on Redemption to receipt of the Metal Entitlement per Security.

8.5 The value of a Securityholder's investment is equivalent to the amount in troy ounces (or fine troy ounces in the case of The Royal Mint Physical Gold ETC Securities) of Metal that they would receive upon a Redemption (i.e. the applicable Metal Entitlement). This is calculated by multiplying the Metal Entitlement per Security by the number of Metal Securities to be redeemed (less applicable fees).

C. Calculation of the Metal Entitlement per Security

8.6 The Metal Entitlement per Security on a calendar day is calculated by the Determination Agent as follows:

$$ME_{(i,t)} = ME_{(i,t-1)} \times (1 - TER_{(i,t)})^{1/N}$$

Where:

"i" means to the relevant class of Metal Security;

"t" means the applicable day (with t-1 being the previous day);

"ME_t" means the Metal Entitlement per Security in respect of the relevant calendar day;

"ME_{t-1}" means the Metal Entitlement per Security in respect of the immediately preceding calendar day;

"TER_t" means the Total Expense Ratio as of the relevant calendar day, expressed as a decimal; and

"N" means 365 (or 366 when the relevant calendar day is in a leap year).

8.7 The resultant figure is calculated to nine decimal places with 0.000000005 fine troy ounces (in case of gold) rounded upwards, and subject to a floor of zero. During the term of a Class of Metal Securities, the Issuer will publish on the Issuer's Website the Metal Entitlement per Security on each calendar day up to and including the relevant Compulsory Redemption Date in respect of all Outstanding Metal Securities of such Class.

D. Deduction of the Management Fee and the Total Expense Ratio

8.8 The Metal Entitlement per Security is reduced each day from the first day of listing and trading On-Exchange by the Total Expense Ratio in respect of the relevant Class.

8.9 The "**Total Expense Ratio**" in respect of each Class is calculated at the rate per annum specified as such in the Final Terms in respect of each Class of Metal Securities. The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of Metal Securities for that Class.

8.10 As at the Prospectus Date, the Total Expense Ratio in respect of The Royal Mint Physical Gold ETC Securities is 0.24 per cent. of one-hundredth of one fine troy ounce of the underlying Metal.

8.11 The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security.

8.12 The Total Expense Ratio in respect of each month is calculated as the reduction of the Metal Entitlement per Security applied to the outstanding Metal Securities on each day during that month. This Metal is aggregated and withdrawn from the Secured Accounts to the Metal Agent in accordance with the relevant Custody Agreement and will be sold, and its proceeds paid to the order of the Issuer in accordance with the Metal Agent Agreement. The proceeds will be used to satisfy certain applicable fees related to the Programme, including the Management Fee due to HANetf under the Management and Determination Agent Agreement.

8.13 The rate of the Total Expense Ratio in respect of any class or classes of Individual Security may be varied by the Issuer from time to time. If the Total Expense Ratio is amended, such amendment will be notified through a RIS, and in the case of an increase will not take effect for at least 30 days following the publication of such notification in accordance with Condition 17 (***Notices***).

8.14 For more information as to how the Total Expense Ratio is applied, please refer to Condition 5 (***Metal Entitlement per Security***).

E. Cash value of Metal Securities

8.15 As set out above, Metal Securities are issued and redeemed by the Issuer at the prevailing Metal Entitlement per Security. However, it is also possible to calculate what the cash value of the Metal Securities was in US dollars on a given day. This is calculated by (i) taking the spot price for Metal on that day and (ii) multiplying that spot price by the Metal Entitlement per Security. This converts the Metal Entitlement per Security into a price in US dollars.

8.16 For example, if on day X, the spot price of Metal was USD 1,000 and the Per Security Entitlement to Metal was 0.01 fine troy ounces, then the cash value per Metal Security is calculated as follows: USD 1,000 x 0.01 = USD 10.

8.17 To calculate the cash value of a Metal Security in another currency, the USD cash value per Metal Security is divided by the relevant exchange rate. For example, if the USD cash value per Metal Security is USD 10 and the GBP/USD exchange rate is 1.30, then the GBP value per Metal Security will be £7.6923.

8.18 The Metal Securities do not bear interest.

F. Redemption Fee

8.19 With the exception of an Optional Redemption of Metal Securities by a Non-AP Securityholder (in which case the Non-AP Securityholder must pay the Redemption Fee prior to the Trade Date in accordance with Condition 7.4 (***Redemption Forms***)), it is a condition that the Issuer, in performance of its obligation to Redeem Metal Securities, may deduct the Redemption Fee from the Actual Redemption Sale Proceeds or other amount due to the Securityholder on Redemption. The calculation of the Redemption Fee is dependent on the type of Securityholder that is redeeming and/or the type of Redemption.

8.20 On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee will be the amount specified in the Operating Procedures (as specified in the relevant Authorised Participant Agreement).

8.21 On a Compulsory Redemption for Cause in accordance with Condition 8.4 (***Compulsory Redemption for Cause***), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Compulsory Redemption. The Redemption Fee will be notified to the relevant Securityholder(s) at the time of the Compulsory Redemption, and shall not be greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (***Notices***).

8.22 On an Optional Redemption of Metal Securities by a Non-AP Securityholder, the Redemption Fee payable by the Non-AP Securityholder shall be an amount equal to the cost to the Issuer of complying with the Redemption Form. The Redemption Fee will be notified to the relevant Securityholder(s) at the time of the Redemption, and

shall not be greater than €600 or such other amount as may be notified in accordance with Condition 17 (***Notices***).

8.23 Subject to the below in respect of a Metal Sale, any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption.

8.24 On a Metal Sale, the Issuer may set-off the amount of the Redemption Fee payable under Condition 7.5 (***Redemption Fee***) against the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption. If Issuer fails to do so, the Securityholder shall pay the Redemption Fee in cash in accordance with Condition 7.5 (***Redemption Fee***).

G. Metal Agent Deductions

8.25 On a Metal Sale, the Metal Agent is permitted to deduct the following from the Actual Redemption Sale Proceeds:

(a) taxes arising from or in connection with the sale of the relevant Metal;

(b) any other amounts properly incurred by it in connection with such sale; and

(c) the Over-allocated Metal Cash Proceeds (if any);

(and in accordance with the terms of the Metal Agent Agreement will not be liable to account for anything except the actual proceeds of any such sale received by it after such deduction).

H. How is the value of a Metal Security affected by a change in the value of the underlying Metal

8.26 The following examples illustrate some possible outcomes of an investment in Metal Securities under normal market conditions. These examples are not indicators of the actual future performance of the Metal Securities and are for illustration purposes. Investor X invests in one Royal Mint Physical Gold ETC Security for one full calendar year under the following conditions:

	Start	**After 365 days**		
		10% increase in Gold Price	**10% decrease in Gold Price**	**No change in Gold Price**
Gold Price (per ounce)	$1,500.00	$1,650.00	$1,350.00	$1,500.00
Metal Entitlement per Security	0.010000000	0.009976000	0.009976000	0.009976000
Value of Metal Security	$15.00	$16.46	$13.47	$14.96
TER Metal Deducted	$0.00	-$0.04	-$0.03	-$0.04
Total Gain/Loss	$0.00	$1.46	-$1.53	-$0.04
Total Return		9.74%	-10.22%	-0.24%

SECTION 9 – SECURITY ARRANGEMENTS

A. Qualifications

9.1 The following description of the security arrangements relating to the Programme consists of a summary of certain provisions of the Security Deed and Security Documents relating to the Metal Securities, and is qualified in its entirety by reference to the detailed provisions of those agreements.

9.2 The following summary does not purport to be complete, and prospective investors in Metal Securities must refer to the Security Deed and the Security Documents and the detailed information contained in such documents.

B. Security

9.3 The Issuer's obligations in respect of a Class of Metal Securities are secured by the Security created by the Security Deed. The Security created by the Security Deed in respect of the Metal Securities is granted to the Security Trustee as continuing security for the payment of the relevant Secured Liabilities (as such term is described in the Security Deed).

9.4 Pursuant to the Security Deed, the obligations of the Issuer relating to each Class of Metal Securities shall be secured in favour of the Security Trustee acting for and on behalf of the Securityholders and the other Secured Parties, by:

(a) an assignment by way of security of all of the Issuer's rights, title, interest and benefit present and future in, to and under the Secured Accounts, the Custody Agreements, the Metal Agent Agreement, the Administration Agreement and the Issuer Bank Account (the "**Agreements and the Accounts**") (such assignment being the "**Security Assignment**");

(b) (to the extent not validly and effectively assigned pursuant to the Security Assignment) first fixed charge for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Agreements and the Accounts, such charge to take effect by way of first fixed security (the "**Fixed Charge**"); and

(c) (to the extent not validly and effectively assigned pursuant to the Security Assignment or charged by way of the Fixed Charge) first floating charge to the Security Trustee for the benefit of the Secured Parties all the Issuer's rights, title and interest, present and future, in and to the Agreements and the Accounts, such charge to take effect by way of first floating security.

C. Enforcement of Security

9.5 The Security constituted by a Security Deed shall become enforceable upon the occurrence of an Event of Default (such events being set out in Condition 8.3 (***Events of Default***).

9.6 At any time after the Security constituted by a Security Document has become enforceable, the Security Trustee:

(a) may at its discretion; and

(b) shall, if so directed by the Trustee following the occurrence of at least one of the following events:

(i) a direction in writing to the Trustee by the holders of at least one-fifth in number of the Metal Securities of the relevant Class; or

(ii) by an Extraordinary Resolution of the Securityholders of the relevant Class; or

(in each such case subject to it having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions);

enforce the Security constituted by such Security Document.

9.7 To enforce the Security, the Security Trustee may, at its discretion:

(a) enforce any relevant Programme Document relating to the Metal Securities of such Class in accordance with its or their terms; and/or

(b) take action against the Issuer; and/or

(c) take possession of and/or realise all or part of the Secured Property; and/or

(d) sell, call in, collect and convert into money all or part of such Secured Property

in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders.

9.8 When exercising its right in this regard, the Security Trustee will have regard to the interests of the relevant Securityholders as a whole and will not have regard to the consequences of such exercise for individual Securityholders, which may have an adverse impact on certain Securityholders more than others.

9.9 Under the terms of the Trust Deed, the Trustee will apply any amounts received or recovered from such enforcement action of the Security Trustee and the proceeds derived from the realisation of the assets that are the subject of the Security constituted by the relevant Security Documents in the applicable order of priority set out in Condition 6.3 (***Application of Proceeds of Enforcement of Security***) (as replicated below).

9.10 Under the terms of the Trust Deed, the Trustee will apply the proceeds derived from the realisation of the assets that are the subject of the Security constituted by the

Security Documents in accordance with the priority waterfall set out in Condition 6.3 (***Application of Proceeds of Enforcement of Security***), in accordance with which all monies received or recovered by the Trustee under the applicable Trust Deed and the proceeds derived from the realisation of the assets by the Security Trustee that are the subject of the Security constituted by the relevant Security Documents, in each case in relation to the Metal Securities of the relevant Class, will be applied as follows:

(a) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(b) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar Tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);

(c) third, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(d) fourth, in payment of any amounts owing to the Securityholders pari passu and rateably; and

(e) fifth, in payment of any balance to the Issuer for itself.

SECTION 10 – WHAT IS THE PURPOSE OF THE FINAL TERMS?

10.1 In this section the expression "**necessary information**" means, in relation to any Tranche of Metal Securities of any Class, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Metal Securities.

10.2 In relation to any Metal Securities which may be issued under the Programme, the Issuer has endeavoured to include in this Prospectus all of the necessary information except for information relating to such Metal Securities which is not known at the date of this Prospectus and which can only be determined at the time of an individual issue of a Tranche of Metal Securities.

10.3 Any information relating to any Metal Securities which is not included in this Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Metal Securities will be contained in the relevant Final Terms.

10.4 In respect of each Tranche of Metal Securities, the related Final Terms must, for the purposes of that Tranche only, be read in conjunction with this Prospectus. The terms and conditions applicable to any particular Tranche of Metal Securities are the Conditions, as completed by the related Final Terms.

SECTION 11 – TERMS AND CONDITIONS OF METAL SECURITIES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented, modified or varied in accordance with the provisions of the Final Terms relating to a particular Class or Tranche of Metal Securities, will be applicable to the Metal Securities of such Class or Tranche and which will be attached to or endorsed on such Metal Securities in definitive form (or, in the case of Registered Securities, on the Individual Certificates relating to such Registered Securities). Unless the context requires otherwise, references in these terms and conditions to "Metal Securities" are to the Metal Securities of one Class only, not to all Metal Securities which may be issued under the Programme from time to time.

The Metal Securities are issued under the Physical Metal Securities Programme of the Issuer (the "**Programme**"). In respect of a Class of Metal Securities, the Metal Securities of such Class will be constituted by (i) a master trust deed dated on or about the date hereof and made between, among others, The Law Debenture Trust Corporation p.l.c. (the "**Trustee**", which expression shall include all persons for the time being the trustee or trustees under the Trust Deed (as defined below)), as trustee for the holders of the Metal Securities and the other persons specified therein (as amended, supplemented, novated and/or replaced from time to time, the "**Master Trust Deed**"); and (ii) any supplemental trust deed in respect of such Class of Metal Securities which shall be dated the Issue Date of the first Tranche of Metal Securities of such Class and made between, among others, the Issuer and the Trustee (as amended, supplemented, novated and/or replaced from time to time, a "**Supplemental Trust Deed**"). The Master Trust Deed and any Supplemental Trust Deed in respect of each Class of Metal Securities are referred to together as the "**Trust Deed**". These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed.

The obligations of the Issuer under each Class of Metal Securities are secured by way of a security deed in respect of that Class of Metal Securities over the Secured Property that relates to that Class of Metal Securities between, among others, the Issuer and The Law Debenture Trust Corporation p.l.c. acting in its capacity as the security trustee (the "**Security Trustee**", which expression shall include all persons for the time being the security trustee or security trustees under the applicable Security Deed (as defined below)) (each, as amended, supplemented, novated and/or replaced from time to time, a "**Security Deed**").

Copies of the Master Trust Deed, any Supplemental Trust Deed, each Security Deed and each Custody Agreement (as defined below) are available for inspection during business hours by prior appointment at the registered office of the Trustee and at the registered office of the Issuer.

The Securityholders are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, each Custody Agreement, each Security Deed, and each of the other Programme Documents (as defined below) which are applicable to them and to have notice of each set of Final Terms (as defined below) issued in respect of a Class or Tranche of Metal Securities held by such Securityholders.

The terms and conditions of a Class of Metal Securities will be the terms and conditions as set out below and as completed by the Final Terms applicable thereto (as defined below). Such Final Terms may specify other terms and conditions which will, to the extent so specified or to the extent inconsistent with these terms and conditions, replace and/or modify these terms and conditions for the purposes of that Class of Metal Securities. References herein to the "**Conditions**" of the Metal Securities are to these terms and conditions as so replaced and/or modified by the Final Terms applicable to that Class of Metal Securities.

1 DEFINITIONS

1.1 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Account Bank**" means the Initial Account Bank and any Eligible Account Bank that has entered into an Account Bank Agreement with the Issuer.

"**Account Bank Agreement**" means an agreement dated the date hereof between the Account Bank and the Issuer governing the operation of the Issuer Redemption Cash Account.

"**Actual Redemption Sale Proceeds**" means with respect to a Metal Sale, an amount in the Relevant Currency equal to the total sale proceeds received for the Metal sold in connection with a Metal Sale.

"**Administration Agreement**" means the administration agreement dated on or about the date hereof between the Issuer and the Administrator as amended, supplemented, novated or replaced from time to time.

"**Administrator**" means Apex Fund Services (Ireland) Limited and any successor or replacement thereto or any other entity appointed as administrator pursuant to the Administration Agreement.

"**Agent Redemption Event Notice**" has the meaning given to it in Condition 8.2(b) (*Compulsory Redemption Events*).

"**Agents**" means any Registrar, any Transfer Agent, the Administrator, any Issuing and Paying Agent, the Metal Agent, the Determination Agent or any of them and such other agent(s) as may be appointed from time to time in relation to the Metal Securities under any Registrar Agreement, any Transfer Agency Agreement, any Administration Agreement, any Issuing and Paying Agency Agreement, any Metal Agent Agreement, any Determination Agency Agreement or any other agreement with the Issuer under which an agent is appointed from time to time in relation to the Metal Securities, as applicable, and any successor or replacement and "**Agent**" means any of them.

"**Authorised Participant**" means any bank or financial institution that is party to an Authorised Participant Agreement.

"**Authorised Participant Agreement**" means, in respect of an Authorised Participant, the authorised participant agreement (as amended, supplemented, novated and/or replaced from time to time) entered into by the Issuer and such Authorised Participant.

"**Bearer Securities**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Business Day**" means, in respect of any Metal Securities, a day which is a London Business Day.

"**Certificated**" or "**Certificated Form**" means not in Uncertificated Form.

"**CGN**" means a Global Security in classic global note form.

"**Class**" means all Metal Securities having the same ISIN or other similar identifier, including the Initial Tranche and any Further Tranche.

"**Class Issue Date**" means the date of issuance of the Initial Tranche of a Class of Metal Securities, as specified in the relevant Final Terms.

"**Clearing System Business Day**" means a day on which the Relevant Clearing System is open for the purpose of effecting settlement of Metal Securities.

"**Clearstream**" means Clearstream Banking, société anonyme, Luxembourg and any successor thereto.

"**Common Depositary**" means, in relation to a Class of Metal Securities issued in CGN form, the common depositary for Euroclear or Clearstream, appointed in respect of such Class.

"**Common Safekeeper**" means, in relation to a Class of Metal Securities issued in NGN form or in the new safekeeping structure, the common safekeeper for Euroclear or Clearstream, appointed in respect of such Class.

"**Compulsory Daily Sale Number**" means in respect of a Compulsory Redemption and a Class of Metal Securities, the number of Outstanding Metal Securities of that Class, which, in relation to each Business Day on which Metal Securities of that Class are required to be Redeemed by Metal Sale in accordance with Condition 8.5 (*Compulsory Redemption Process*) with the sale of Metal taking place on that day, shall be;

(a) if the Compulsory Sale Number is not more than the Redemption Limit (in each case of the relevant Class), the Compulsory Sale Number;

(b) otherwise, the amount shall be the Redemption Limit on the first and each successive Business Day thereafter except on the last such Business Day when the amount shall be the Compulsory Sale Number minus the sum of the Compulsory Daily Sale Number for each preceding Compulsory Metal Sale Date for that Class in relation to the Compulsory Redemption.

"**Compulsory Metal Sale Date**" means in respect of any Metal Securities and a Compulsory Redemption, the First Compulsory Metal Sale Date and each required successive Business Day on which the Compulsory Daily Sale Number is a number greater than zero.

"**Compulsory Redemption**" means a Redemption of Metal Securities in accordance with Condition 8 (*Compulsory Redemption*).

"**Compulsory Redemption Date**" means the date designated as such in accordance with Condition 8.1 (*Issuer Call Redemption Event*), Condition 8.2 (*Compulsory Redemption Events*), Condition 8.3 (*Events of Default*) or Condition 8.4 (*Compulsory Redemption for Cause*) (as the case may be).

"**Compulsory Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Compulsory Redemption Settlement Date**" has the meaning given to it in Condition 8.6 (*Compulsory Redemption Settlement Date*).

"**Compulsory Sale Number**" means in respect of a Compulsory Redemption and a Class of Metal Securities, where such Compulsory Redemption Date is designated in accordance with:

(a) Condition 8.1 (*Issuer Call Redemption Event*), the total number of Metal Securities of that Class Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date or such other number of such Metal Securities as may be called for Redemption in the Issuer Call Redemption Notice;

(b) Condition 8.2 (*Compulsory Redemption Events*) or Condition 8.3 (*Events of Default*), the total number of Metal Securities of that Class Outstanding as at the end of the Business Day immediately preceding the Compulsory Redemption Date;

(c) Condition 8.4 (*Compulsory Redemption for Cause*), the total number of Metal Securities of that Class held by the Securityholder where the Issuer notifies the Securityholder that Metal Securities of such Class are to be subject to Compulsory Redemption.

"**Conditions**" means these terms and conditions as so replaced and/or modified by the Final Terms applicable to that Class of Metal Securities.

"**CREST**" means the system for the paperless settlement of trades and the holding of uncertificated securities operated by EUI in accordance with the Uncertificated Regulations, as amended from time to time.

"**Custodian**" means, with respect to The Royal Mint Physical Gold ETC Securities, The Royal Mint Limited and any successor thereto and, with respect to any other Class of Metal Securities, such party as is appointed custodian with respect to such Class in accordance with the terms of a Custody Agreement and any successor or replacement thereto.

"**Custody Agreements**" means: (a) with respect to The Royal Mint Physical Gold ETC Securities, the Secured Unallocated Gold Custody Agreement and the Secured Allocated Gold Custody Agreement and; (b) with respect to any other Class of Metal Securities, means such agreements providing for the custody of Metal relating to such Class entered into by the Issuer and a Custodian.

"**Custody Redemption Event Notice**" has the meaning given to it in Condition 8.2(c) (*Compulsory Redemption Events*).

"**Default Redemption Event Notice**" has the meaning given in Condition 8.3 (*Events of Default*).

"Denomination" means, in respect of a Metal Security, an amount equal to its Principal Amount.

"**Definitive Securities**" means Bearer Securities in definitive form and includes any replacement Metal Security issued pursuant to these Conditions.

"**Determination Agency Agreement**" means the Management and Determination Agent Agreement (as amended, supplemented, novated and/or replaced from time to time) or any successor or replacement agreement between the Issuer and a Determination Agent in relation to the provision of determination agency services.

"**Determination Agent**" means, in respect of a Class, any entity appointed as determination agent in accordance with the terms of a Determination Agency Agreement and, as at the date hereof, means HANetf in respect of The Royal Mint Physical Gold ETC Securities.

"**Determination Agent Breach**" has the meaning given to it in Condition 10.6(b) (*Determination Agent*).

"**Disruption Event**" has the meaning given to it in Condition 9.1 (*Disruption Events*).

"**Dublin Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open to settle payments in Dublin.

"**Eligible Account Bank**" means any reputable bank, financial institution or credit institution operating in the EEA and/or the UK.

"**EUI**" means Euroclear UK & Ireland Limited (formerly known as CRESTCO Limited) incorporated in England and Wales under number 2878738.

"**Euroclear**" means Euroclear Bank S.A./N.V. and any successor thereto.

"**Event of Default**" has the meaning given to it in Condition 8.3 (*Events of Default*).

"**Exchange Date**" has the meaning given to it in Condition 3.1 (*Exchange of Bearer Securities*).

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with schedule 7 of the Master Trust Deed by a majority of at least 75 per cent. of the votes cast, provided that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Metal Securities who for the time being are entitled to receive notice of a meeting held in accordance with the Master Trust Deed shall, for all purposes, be as valid and effectual as an Extraordinary Resolution passed

at a meeting of such Securityholders duly convened and held in accordance with the relevant provisions of the Master Trust Deed.

"**Final Terms**" means the final terms specifying the relevant issue details of the Metal Securities.

"**First Compulsory Metal Sale Date**" means in respect of any Metal Securities and a Compulsory Redemption, the fifth Business Day following the Compulsory Redemption Date in respect of such Metal Securities.

"**Further Tranche**" means any Tranche of a Class of Metal Securities issued after the Class Issue Date in accordance with Condition 16 (*Issue of Further Tranches and Classes of Metal Securities*).

"**Global Bearer Security**" means the Metal Securities in bearer form represented by a global security.

"**Global Registered Certificate**" means a global certificate representing Metal Securities in registered form.

"**Global Security**" means a Global Bearer Security or a Global Registered Certificate.

"**HANetf**" means HAN ETF Limited, a private limited company incorporated in England with registered number 10697042, or any successor thereto.

"**Individual Certificate**" means, in respect of Registered Securities, a definitive certificate in registered form representing such Registered Securities.

"**Initial Account Bank**" means a bank or financial institution incorporated in the EEA and/or the United Kingdom.

"**Initial Early Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Initial Tranche**" means the first Tranche of a Class of Metal Securities issued.

"**Issue Date**" means the date of issuance of the relevant Tranche as specified in the Final Terms relating to such Tranche.

"**Issuer**" means HANetf ETC Securities plc, a public limited company incorporated under the laws of Ireland with company number 664945, whose registered office is at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767.

"**Issuer Call Redemption Event**" has the meaning given to it in Condition 8.1 (*Issuer Call Redemption Event*).

"**Issuer Call Redemption Notice**" has the meaning given to it in Condition 8.1 (*Issuer Call Redemption Event*).

"**Issuer Insolvency Event**" means each of the Events of Default set out at Condition 8.3(c) (*Events of Default*) and Condition 8.3(d) (*Events of Default*).

"**Issuer Redemption Cash Account**" means in respect of a Class, an account or accounts opened with the Account Bank in the name of the Issuer and operated by the Issuer into which amounts received by or on behalf of the Issuer for the purpose of effecting Redemptions and Compulsory Redemptions are paid from time to time including any Net Redemption Sale Proceeds.

"**Issuer Redemption Notice**" has the meaning given to it in Condition 8.2(d) (*Compulsory Redemption Events*).

"**Issuer's Website**" means the website having the following internet address: www.hanetf.com/royalmint or such other internet address as may be used by the Issuer and notified to Securityholders and the Trustee in accordance with Condition 17 (*Notices*).

"**Issuing and Paying Agency Agreement**" means an agreement entered into by the Issuer that provides for the appointment of any person as Issuing and Paying Agent.

"**Issuing and Paying Agent**" means in respect of a Class, any entity appointed as issuing and paying agent of the Issuer in respect of such Class.

"**LBMA**" means the London Bullion Market Association.

"**London Business Day**" means a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks are open to settle payments in London.

"**Loss**" means any loss, liability, cost, claim, damages, expense (including, but not limited to, legal costs and expenses) or demand (or actions in respect thereof), judgment, interest on any judgment, assessment, fees or amounts paid in settlement of any action or claim.

"**LPPM**" means the London Platinum and Palladium Market.

"**Management and Determination Agent Agreement**" means the agreement between the Issuer and HANetf dated on or about the date hereof in respect of the provision of services by HANetf to the Issuer in connection with the Programme, as amended and/or supplemented from time to time or any replacement agreement which the Issuer may enter into from time to time, in respect of the provision of such services.

"**Metal**" means any and all of gold, silver, platinum and palladium.

"**Metal Agent**" means, as at the date hereof, in relation to The Royal Mint Physical Gold ETC Securities, The Royal Mint Limited and any other person as may be party to a Metal Agent Agreement with the Issuer.

"**Metal Agent Agreement**" means in relation to The Royal Mint Physical Gold ETC Securities, the metal agent agreement dated on or about the date hereof and entered into by the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator and any other agreement entered into by the Issuer that provides for the appointment of any person as a metal agent with respect to the sale of Metal in relation to Metal Securities.

"**Metal Delivery**" means in relation to a Redemption of any Metal Securities, settlement of the Issuer's obligations in respect of such Redemption by delivery of an amount of Metal equal to the Metal Entitlement of such Metal Securities.

"**Metal Entitlement**" means in respect of a calendar day and a number of Metal Securities of a Class, an amount of Metal equal to the Metal Entitlement per Security with respect to that Class multiplied by that number.

"**Metal Entitlement per Security**" in respect of a Class of Metal Security, has the meaning given to it in Condition 5 (*Metal Entitlement per Security*).

"**Metal Sale**" means in relation to the Optional Redemption (by one or more Securityholders) or the Compulsory Redemption of any Metal Securities, settlement of the Issuer's obligations in respect of such Redemption by sale of an amount of Metal equal to the Metal Entitlement of such Metal Securities and payment of the Net Redemption Sale Proceeds as more particularly provided for in Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*) (as the case may be).

"**Metal Sale Date**" means:

(a) with respect to an Optional Redemption to be effected by Metal Sale pursuant to Condition 7.8(a)(i) to 7.8(a)(ii) (*Metal Sale*), the second Business Day following the Trade Date;

(b) with respect to an Optional Redemption to be effected by Metal Sale pursuant to Condition 7.8(a)(iii) (*Metal Sale*), the second Business Day following the Business Day on which the Metal Entitlement per Security is determined; and

(c) with respect to a Compulsory Redemption, each Compulsory Metal Sale Date.

"**Metal Securities**" means the Class of Metal Securities to which these Conditions relates or, as the context may require, any or all securities issued by the Issuer under the Programme.

"**Net Redemption Sale Proceeds**" means in respect of a Metal Sale, an amount denominated in the Relevant Currency equal to the sum of the Actual Redemption Sale Proceeds less all amounts which the Metal Agent is entitled to deduct from the proceeds of sale in accordance with Condition 7.8(f) (*Metal Sale*) or Condition 8.5(f) (*Compulsory Redemption Process*) (as the case may be).

"**NGN**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Non-AP Securityholder**" means a Securityholder that is not also an Authorised Participant.

"**Non-Disrupted Day**" means each day that is a Business Day and is not a Suspended Day or a day which falls within a Suspension Period.

"**Notice Deadline**" means 3.00 p.m. (London) time, provided that the Notice Deadline in respect of any Class of Metal Securities may be adjusted by agreement between the Issuer and the Custodian with effect from the fifth calendar day following the date on which notice of such adjustment is given to the holders in accordance with Condition 17 (*Notices*).

"**Obligor**" means each person that has an obligation to the Issuer pursuant to the Secured Property.

"**Operating Procedures**" means the operating procedures of the Issuer in respect of Subscription and Redemption.

"**Optional Redemption**" means the Redemption of Metal Securities at the option of one or more Securityholders in accordance with the provisions of Condition 7 (*Redemption*).

"**Outstanding**" means, for the purposes of the Conditions, Trust Deed and Security Deed, in relation to the Metal Securities and a day:

(a) on the Class Issue Date, the Metal Securities issued on such day; and

(b) on any day thereafter, all the Metal Securities issued on or prior to such day except:

  (i) those that have been Redeemed in accordance with Condition 8 (Compulsory Redemption);

  (ii) those that have been cancelled for any reason;

  (iii) those in respect of which the date for Redemption has occurred and the Redemption monies have been duly paid to the Trustee or to the Issuing and Paying Agent and which remain available for payment against presentation and surrender of Metal Securities;

(iv) those that have become void or in respect of which claims have become prescribed;

(v) those which have been issued and which are pending settlement to an Authorised Participant but in respect of which the relevant Authorised Participant(s) has not delivered in full the relevant Subscription Amount under the Authorised Participant Agreement;

(vi) those in respect of which a Compulsory Redemption Settlement Date or Redemption Settlement Date has occurred and in respect of which the Issuer (or the Trustee or the Issuing and Paying Agent, as the case may be) has received in full Metal from the Custodian or cash from the Metal Agent (as applicable and as the case may be);

(vii) those that have been purchased, settled and cancelled as provided in Condition 8.1 (Issuer Call Redemption Event);

(viii) those mutilated or defaced Bearer Securities that have been surrendered in exchange for replacement Bearer Securities;

(ix) (for the purpose only of determining how many Metal Securities are Outstanding and without prejudice to their status for any other purpose) those Bearer Securities alleged to have been lost, stolen or destroyed and in respect of which replacement Metal Securities have been issued; and

(x) any Global Bearer Security to the extent that it shall have been exchanged for one or more Definitive Securities pursuant to its provisions; provided that for the purposes of (1) ascertaining the right to attend and vote at any meeting of the Securityholders, (2) the determination of how many Metal Securities are Outstanding for the purposes of the Conditions, the Trust Deed and each Security Deed and (3) the exercise of any discretion, power or authority that the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those Metal Securities that are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain Outstanding. For the avoidance of doubt, Metal Securities (if any) which the Issuer has agreed on or prior to such day to Redeem but in respect of which the Metal Entitlement or Net Redemption Sale Proceeds has not yet been delivered to or paid in full to the Issuer (or the Trustee or the Issuing and Paying Agent, as applicable) shall be deemed to be "Outstanding" on such day and Metal Securities (if any) which the Issuer has agreed on or prior to such day to issue but in respect of which delivery of the relevant Subscription Amount has not been received in full from the relevant Authorised Participant(s) and settlement to such relevant Authorised Participant(s) has not yet occurred shall not be deemed to be "Outstanding" on such day.

"**Over-allocated Metal**" means, in respect of a Class of Metal Securities, the amount of Metal in the Secured Allocated Accounts which relates to any over-allocation of Metal by the Custodian to the relevant Secured Allocated Accounts in order to allow for:

(a) delivery of an amount of Metal into the Secured Allocated Accounts that equates to a single Metal bar, plate, ingot or other relevant metal shape notwithstanding that the amount of Metal due to the Issuer was less than the weight of such single Metal bar, plate, ingot or other relevant metal shape; or

(b) withdrawal of an amount of Metal from the Secured Allocated Accounts that equates to a single Metal bar, plate, ingot or other relevant metal shape notwithstanding that the amount of Metal due from the Issuer was greater than the weight of such single Metal bar, plate, ingot or other relevant metal shape.

"**Over-allocated Metal Cash Proceeds**" means:

(a) in respect of any Over-allocated Metal sold in connection with a Metal Sale an amount denominated in the Relevant Currency equal to the Relevant Proportion of the sale proceeds in respect of the Metal realised in connection with such Metal Sale; or

(b) in respect of any Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), the Relevant Proportion of the sale proceeds in respect of Metal realised during such enforcement process.

"**Over-allocated Metal Proceeds**" means:

(a) in respect of Over-allocated Metal realised in connection with a Metal Sale, an amount of Metal equivalent to the Over-allocated Metal or the Over-allocated Metal Cash Proceeds; or

(b) in respect of Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), an amount of Metal equivalent to the Over-allocated Metal or the Over-allocated Metal Cash Proceeds.

"**Payment Business Day**" means, in respect of any Metal Securities, any day (i) which is a Clearing System Business Day and (ii) which is a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits in the principal financial centre of the Relevant Currency).

"**Principal**" means the Net Redemption Sale Proceeds.

"**Principal Amount**" means, in respect of any Metal Security, the amount in the Relevant Currency specified in the Final Terms.

"**Proceedings**" has the meaning given to it in Condition 20.2 (*Jurisdiction*).

"**Programme Document**" means each of the Trust Deed, the Determination Agency Agreement, the Administration Agreement, each Metal Agent Agreement, each Custody Agreement, each Security Deed, each Issuing and Paying Agency Agreement, and each Authorised Participant Agreement and "**Programme Documents**" means all such documents.

"**Programme Effective Date**" means the date on which the Prospectus in respect of the Programme is approved by the relevant competent authority.

"**Programme Maximum Number of Metal Securities**" means 10,000,000,000.

"**Programme Party**" means a party to a Programme Document (other than the Issuer).

"**Prohibited Metal Holder**" means a UCITS or other person prohibited by applicable law or regulation from owning or taking delivery of the relevant Metal.

"**Prohibited Physical Redemption**" means in respect of a Redemption that the Issuer would be prohibited by virtue of legal or regulatory reasons from making a delivery of the relevant Metal to the Securityholder.

"**Prospectus Regulation**" means regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017.

"**Record Date**" means the Business Day immediately prior to the date for payment.

"**Redeeming Securityholder**" means a Securityholder whose Metal Securities are the subject of a Redemption.

"**Redemption**" means the redemption of Metal Securities (i) by Optional Redemption or (ii) by a Compulsory Redemption, and "Redeem" and "Redeemed" shall be construed accordingly.

"**Redemption Fee**" mean a fee payable by the Securityholder on the Redemption of Metal Securities pursuant to Condition 7.5 (*Redemption Fee*).

"**Redemption Form**" means a notice in the applicable form (which may vary depending on whether the Securityholder is an Authorised Participant or a Non-AP Securityholder and on the Redemption Mechanism) prescribed by the Issuer from time to time for the purpose of requesting Redemption of Metal Securities.

"**Redemption Limit**" means with respect to a Class, a limit per Business Day on the Redemption of Metal Securities with a Metal Entitlement that has a market value (as determined by the Determination Agent), exceeding such limit, as such limit may be notified to the Securityholders in accordance with Condition 17 (*Notices*). As of the Programme Effective Date, the Redemption Limit, in respect of The Royal Mint Physical Gold ETC Securities shall be:

(a) the market value (in USD) of the Metal Entitlement of the Outstanding Metal Securities on the Metal Sale Date (or in the case of a Compulsory Redemption, the first Compulsory Metal Sale Date) divided by 15; or

(b) USD 400 million,

whichever is higher.

"**Redemption Mechanism**" means each of:

(a) Metal Delivery; and

(b) Metal Sale.

"**Redemption Settlement Date**" means:

(a) in the case of a Redemption pursuant to Condition 7 (*Redemption*), has the meaning given to it in Condition 7.10 (*Redemption Settlement Date*); and

(b) in the case of a Compulsory Redemption, the Compulsory Redemption Settlement Date.

"**Register**" means a register maintained by a Registrar of persons holding the Metal Securities.

"**Registered Securities**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Registrar**" means any such person appointed by the Issuer from time to time to maintain the registers of persons holding the Metal Securities.

"**Registrar Agreement**" means any such agreement entered into between the Issuer and a Registrar.

"**Relevant Association**" means with respect to:

(a) a Class of Metal Securities in respect of which the Metal Entitlement is in gold or silver, the LBMA; and

(b) a Class of Metal Securities in respect of which the Metal Entitlement is in platinum or palladium, the LPPM.

"**Relevant Clearing System**" means (i) CREST, (ii) Euroclear, (iii) Clearstream, or (iv) any other recognised clearing system in which Metal Securities of a Class may be cleared.

"**Relevant Currency**" means with respect to a Class of Metal Securities, the currency in which the Principal Amount of a Metal Security of that Class is denominated, as specified in the Final Terms.

"**Relevant Date**" has the meaning given to it in Condition 12 (*Prescription*).

"**Relevant Proportion**" means:

(a) with respect to a Class of Metal Securities and Over-allocated Metal Proceeds realised in the course of a Redemption, the proportion that the Over-allocated Metal realised by way of sale of Metal bears to the total amount of Metal realised by way of Metal Sale or in the course of such other sale of Metal; and

(b) with respect to a Class of Metal Securities and Over-allocated Metal Proceeds realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*) by way of sale of Metal, the proportion that the Over-allocated Metal realised in the enforcement of the Security pursuant to Condition 6.2 (*Realisation of Security constituted under each Security Document*), bears to the total amount of Metal realised in such enforcement process.

"**Relevant Provisions**" means, in respect of the Determination Agent, the provisions of the Determination Agency Agreement, the Trust Deed, the Authorised Participant Agreement and the Conditions.

"**Relevant Stock Exchange**" means the London Stock Exchange, the Frankfurt Stock Exchange, the Borsa Italiana and/or any other stock exchange on which Metal Securities of a Class may be listed.

"**RIS**" means a regulated information service for the purposes of giving information relating to the Metal Securities and/or the rules of the Relevant Stock Exchange chosen by the Issuer from time to time.

"**Secondary Early Redemption Event**" has the meaning given to it in Condition 8.2 (*Compulsory Redemption Events*).

"**Secured Accounts**" means with respect to a Class of Metal Securities, the Secured Allocated Account and the Secured Unallocated Account with respect to that Class and "Secured Account" shall be construed accordingly.

"**Secured Allocated Account**" means with respect to The Royal Mint Physical Gold ETC Securities, the Secured Allocated Gold Account.

"**Secured Allocated Gold Account**" means the allocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Allocated Gold Custody Agreement.

"**Secured Allocated Gold Custody Agreement**" means the secured allocated gold custody agreement dated on or about the date hereof between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator.

"**Secured Liabilities**", with respect to a Class of Metal Securities, has the meaning given to it in the Security Deed in respect of that Class.

"**Secured Parties**", with respect to a Class of Metal Securities, has the meaning given to it in the Security Deed in respect of that Class. .

"**Secured Property**" means, with respect to a Class of Metal Securities, the assets that are the subject of the security constituted by each applicable Security Deed and any other Security Document.

"**Secured Unallocated Account**" means with respect to The Royal Mint Physical Gold ETC Securities, the Secured Unallocated Gold Account.

"**Secured Unallocated Gold Account**" means the unallocated gold account opened and maintained by The Royal Mint Limited for the Issuer under the Secured Unallocated Gold Custody Agreement.

"**Secured Unallocated Gold Custody Agreement**" means the secured unallocated gold custody agreement dated on or about the date hereof between the Issuer, The Royal Mint Limited, the Security Trustee and the Administrator.

"**Securities Act**" means The United States Securities Act of 1933 as amended.

"**Security**" means a mortgage, charge, assignment, pledge, lien or other security interest securing any obligation of the Issuer or any other agreement or arrangement having a similar effect

"**Security Document**" means any security document relating to a Class of Metal Securities pursuant to which Security over the Secured Property is created or perfected (including, for the avoidance of doubt, the Security Deed) and any other document designated as such by Issuer and the Trustee, as amended, supplemented, novated and/or replaced from time to time.

"**Securities Delivery Obligation**" has the meaning given to in Condition 7.6(c) (*Redemption Obligation*).

"**Securityholder**" and "**holder**" mean the bearer of any Bearer Security or the person in whose name a Registered Security or an Uncertificated Registered Security is registered (as the case may be).

"**Securityholder Cash Account**" means, in respect of a Securityholder and the Redemption of Metal Securities by Metal Sale, a bank account to receive payments of the Net Redemption Sale Proceeds in respect of the Redemption of such Metal Securities, which account shall be:

(a) for an Authorised Participant, the bank account notified in writing for such purposes by the Authorised Participant to the Issuer (or the Trustee as the case may be) from time to time; or

(b) otherwise, the bank account specified in the Redemption Form; or

(c) in respect of a Compulsory Redemption the bank account notified by a Securityholder to the Issuer in accordance with Condition 8.5 (*Compulsory Redemption Process)*.

"**Securityholder Metal Account**" means, in respect of a Securityholder and the Redemption of Metal Securities by Metal Delivery, an unallocated bullion account loco London with a member of the LBMA or the LPPM (as applicable) to receive Metal in respect of the Redemption of such Metal Securities, which account shall be:

(a) in respect of an Authorised Participant, the bullion account notified in writing for such purposes by the Authorised Participant to the Issuer (or the Trustee as the case may be) from time to time; and

(b) in respect of a Non-AP Securityholder, the bullion account specified in the Redemption Form.

"**Sub-custodian**" means any sub-custodian appointed by the Custodian provided that such appointment is permitted by a Custody Agreement.

"**Subscription**" means an offer by an Authorised Participant to the Issuer to subscribe for Metal Securities, being an offer on terms referred to in a Subscription Form and this document and in accordance with the provisions of the relevant Authorised Participant Agreement and "Subscribe" and "Subscribing" shall be construed accordingly.

"**Subscription Amount**" means, in relation to a Subscription Form, an amount per Metal Security equal to the Metal Entitlement per Security as at the relevant Trade Date.

"**Subscription Fee**" means the fee payable by an Authorised Participant on a Subscription of Metal Securities as specified in the Operating Procedures.

"**Subscription Form**" means a request from an Authorised Participant delivered to the Issuer to issue Metal Securities.

"**Subscription Settlement Date**" means the second Business Day after the Trade Date.

"**Subscription Suspension Event**" means the delivery by the Issuer of a notice in writing to each Authorised Participant, the Issuing and Paying Agent and the Determination Agent stating that with effect from the date specified in such notice subscription of the Metal Securities shall be suspended.

"**Suspended Day**" and "**Suspension Period**" have the respective meanings given to them in Condition 9.2(a) (*Determination of Disruption Events and Suspension Notices*).

"**Suspension Notice**" has the meaning given to it in Condition 9.2 (*Determination of Disruption Events and Suspension Notices*).

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system or any successor thereto.

"**Tax**" means any tax, duty, assessment or charge of whatsoever nature (including, without limitation, any tax on income, profits, gains, net wealth, asset values or turnover, value added tax, stamp duty, stamp duty reserve tax, excise, severance, sales, use, transfer, documentary, recording tax or duty or any other similar tax, duty or charge) imposed, levied, collected, withheld or assessed by any government, applicable tax authority or jurisdiction.

"**The Royal Mint Physical Gold ETC Securities**" means the Class of Metal Securities of that name backed by physical gold held in a Secured Allocated Gold Account.

"**Threshold Event Date**" has the meaning give to it in Condition 7.9(a) (*Suspension of Redemptions*).

"**Total Expense Ratio**" has the meaning given to it in Condition 5.4 (*Total Expenses Ratio*).

"**Trade Date**" means:

(a) subject to Condition 9.2 (*Determination of Disruption Events and Suspension Notices*), in respect of an Optional Redemption of Metal Securities, the Business Day on which a Redemption Form is determined to be valid; and

(b) subject to Condition 9.2 (*Determination of Disruption Events and Suspension Notices*), in respect of a subscription of Metal Securities, the Business Day on which a Subscription Form is determined to be valid.

"**Tranche**" means, in relation to a Class of Metal Securities issued on any date, the Metal Securities that are issued on the same Issue Date with the same Principal Amount.

"**Transfer Agency Agreement**" means an agreement entered into by the Issuer that provides for the appointment of any person as Transfer Agent.

"**Transfer Agent**" means in respect of a Class, any entity appointed as transfer agent of the Issuer in respect of such Class.

"**UCITS**" means:

(a) an undertaking for collective investment in transferable securities that is established in accordance with the European Parliament and Council Directive of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No 2009/65/EC), as amended; and

(b) a "UCITS Scheme" as defined in the FCA Glossary.

"**uncertificated**", "**Uncertificated**", "**uncertificated form**" and "**Uncertificated Form**" means recorded on the Register as being held in uncertificated form, title to which is to be transferred by means of the Relevant Clearing System.

"**Uncertificated Registered Securities**" has the meaning given to it in Condition 2 (*Form and Title*).

"**Uncertificated Regulations**" means the Uncertificated Securities Regulations 2001 and the Irish Companies Act 1990 (Uncertificated Securities) Regulations 1996 (S.I. No. 68 of 1996), as amended by the Irish Companies Act 1990 (Uncertificated Securities) (Amendment) Regulations 2005 (S.I. No. 693 of 2005) and such other regulations made under section 239 of the Irish Companies Act 1990 having force within Ireland as are applicable to Euroclear UK & Ireland Limited (formerly known as CRESTCo Limited) and/or the CREST "relevant system" (as defined in such regulations) and are from time to time in force.

"**US Dollar**" or "**USD**" means the lawful currency of the United States of America.

1.2 **Interpretation**

The following rules shall apply to the interpretation of these Conditions unless the context otherwise requires:

(a) headings to Conditions, paragraphs and other provisions of these Conditions shall not affect the interpretation of these Conditions;

(b) any reference to a person or persons includes reference to any individual, corporation, partnership, joint venture, association, public body, governmental authority or other entity;

(c) words in the singular shall also include the plural and vice versa;

(d) any reference to these Conditions or to any agreement or document includes a reference to these Conditions or, as the case may be, such agreement or document, as amended, varied, novated, supplemented or replaced from time to time;

(e) any reference to a statute, statutory provision, regulation, directive or rule of any regulatory authority shall, unless the context otherwise requires, be construed as a reference to such statute, statutory provision, regulation, directive or rule as the same may from time to time be amended, modified, extended, consolidated, re-enacted or replaced; and

(f) unless otherwise indicated, any reference in these Conditions to a time is a reference to the prevailing time in London, England.

2 FORM AND TITLE

The Metal Securities may be issued in:

(a) bearer form (including in new global note ("**NGN**") form and in CGN form) and serially numbered ("**Bearer Securities**");

(b) in registered form (including in global registered form using the new safekeeping structure and in CGN form ("**Registered Securities**"); or

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities ("**Uncertificated Registered Securities**"),

in each case in the Denomination and Relevant Currency specified in the Final Terms.

If it is stated in the Final Terms that the form of some or all of the Metal Securities is "**Bearer**", such Metal Securities are Bearer Securities. If it is so stated that the form of some or all of the Metal Securities is "**Registered**", such Metal Securities are Registered Securities. If it is so stated that the form of some or all of the Metal Securities is "**Uncertificated Registered**", such Metal Securities are Uncertificated Registered Securities. Unless otherwise stated in the Final Terms, the form of all of the Metal Securities of a particular Class on issue will be the same.

In respect of Bearer Securities relating to a Class to be issued in global form, such Bearer Securities, will (a) if the Bearer Securities are intended to be issued in NGN form, as stated in the Final Terms relating to such Class, be delivered on or prior to the original issue date to a Common Safekeeper for Euroclear and Clearstream; and (b) if the Bearer Securities are intended to be issued in CGN form, as stated in the Final Terms relating to such Class be delivered on or prior to the original issue date to a Common Depositary for Euroclear and Clearstream.

In respect of Registered Securities relating to a Class to be issued in global form, the Global Registered Certificate in respect of such Registered Securities will (a) if the Registered Securities are intended to be issued in global registered form using the new safekeeping structure be registered in the name of a nominee for, and shall be deposited on its issue date with a Common Safekeeper on behalf of, Euroclear and Clearstream; and (b) if the Registered Securities are intended to be issued in CGN form, be registered in the name of a nominee for, and shall be deposited on its issue date with a Common Depositary on behalf of, Euroclear and Clearstream.

All Registered Securities of the same Class shall have the same Denomination. Bearer Securities shall not be exchangeable for Uncertificated Registered Securities.

Title to the Bearer Securities shall pass by delivery. Title to the Registered Securities shall pass by registration in the Register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Registrar Agreement.

Uncertificated Registered Securities shall be held in uncertificated registered form in accordance with the Uncertificated Regulations and as such are dematerialised and not constituted by any physical document of title. Uncertificated Registered Securities shall be cleared through CREST and are participating securities for the purposes of the Uncertificated Regulations. Notwithstanding anything to the contrary in the Conditions, for so long as the Uncertificated Registered Securities are participating securities: (a) the Register shall be maintained at all times outside of the United Kingdom; (b) the Uncertificated Registered Securities may be issued in uncertificated form in accordance with and subject as provided in the Uncertificated Regulations; and (c) for the avoidance of doubt, the Conditions in respect

of the Uncertificated Registered Securities shall remain applicable notwithstanding that they are not endorsed on any certificate or document of title.

Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Metal Security shall be deemed to be and may be treated as the absolute owner of such Metal Security for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Metal Security shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone and no person will be liable for so treating the holder.

3 TRANSFERS OF REGISTERED SECURITIES AND UNCERTIFICATED REGISTERED SECURITIES

3.1 Exchange of Bearer Securities

The Global Bearer Security relating to Bearer Securities is exchangeable (free of charge to the holder) on or after the Exchange Date in whole but not in part for Definitive Securities if the Global Bearer Security is held on behalf of a Relevant Clearing System and the Relevant Clearing System is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does, in fact, do so.

"**Exchange Date**" means a day falling not less than 60 calendar days after the date on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located.

Any such exchange may be effected on or after an Exchange Date by the holder of the Global Bearer Security surrendering the Global Bearer Security to or to the order of the Issuing and Paying Agent. In exchange for the Global Bearer Security, the Issuer shall deliver, or procure the delivery of, duly executed and authenticated Definitive Securities in an aggregate number equal to the number of Metal Securities represented by the Global Bearer Security submitted for exchange, security printed in accordance substantially in the form required under the Trust Deed.

Registered Securities may not be exchanged for Bearer Securities and Bearer Securities of one Denomination may not be exchanged for Bearer Securities of another Denomination. Bearer Securities may not be exchanged for Registered Securities.

3.2 Transfer of Registered Securities in definitive form

One or more Registered Securities may be transferred upon the surrender (at the specified office of the Registrar) of the Individual Certificate representing such Registered Securities to be transferred, together with the form of transfer endorsed on such Individual Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar may reasonably require. In the case of a transfer of part only of a holding of Registered Securities represented by one Individual Certificate, a new Individual Certificate shall be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Securityholders. A copy of the current regulations will be made available by the Registrar to any Securityholders upon request.

3.3 Exercise of options or partial Redemption in respect of Registered Securities

In the case of an exercise of an Issuer's or a Securityholder's option in respect of, or a Redemption of a part of, a holding of Registered Securities represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder in respect of the balance of the holding not subject to the exercise of such option or, as the case may be, Redeemed.

New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar.

3.4 **Delivery of new Individual Certificates**

Each new Individual Certificate to be issued pursuant to Conditions 3.2 (*Transfer of Registered Securities in definitive form*) and 3.3 (*Exercise of options or partial Redemption in respect of Registered Securities*) will be available for delivery within five Dublin Business Days of surrender of the relevant Individual Certificate and, if applicable, receipt of the relevant request for exchange, form of transfer or notice of exercise together with such other evidence (if any) as may be required pursuant to the relevant Condition. Delivery of new Individual Certificate(s) shall be made at the specified office of the Registrar to whom surrender of such Individual Certificate and, if applicable, delivery of such request, form of transfer or notice of exercise shall have been made or, at the option of the holder making such delivery and surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, notice of exercise or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified.

Exchange and transfer of Metal Securities on registration or transfer (as contemplated by this Condition 3.4) may be subject to a charge by or on behalf of the Issuer, the Issuing and Paying Agent, the Registrar, or any relevant agent of the Issuer and/or payment by the relevant Securityholder (or the giving by the relevant Securityholder of such indemnity as the Registrar may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

3.5 **Closed periods**

No Securityholder may require the transfer of a Registered Security to be registered (i) during the period of 15 calendar days ending on the due date for Redemption of that Metal Security, (ii) during the period of 15 calendar days prior to any date on which Metal Securities may be Redeemed pursuant to Condition 7 (*Redemption*) (as applicable) or by the Issuer at its election pursuant to Condition 8.1 (*Issuer Call Redemption Event*), (iii) after any such Metal Security has been drawn for Redemption in whole or in part, or (iv) during the period of seven days ending on (and including) any Record Date.

3.6 **Exchange of Uncertificated Registered Securities**

All transactions in respect of Uncertificated Registered Securities (including, without limitation, transfers of the Metal Securities) in the open market or otherwise must be effected through an account with EUI. All transfers of the Metal Securities shall be subject to and made in accordance with the Uncertificated Regulations and the rules, procedures and practices in effect of the Registrar and CREST. The Uncertificated Regulations and such rules, procedures and practices may change from time to time. No provision of the Conditions shall (notwithstanding anything to the contrary herein) apply or have effect to the extent that it is in any respect inconsistent with: (i) the holding of title to the Metal Securities in uncertificated form, (ii) the transfer of title to Uncertificated Registered Securities by means of registration in the Register or (iii) the Uncertificated Regulations.

If at any time the Metal Securities cease to be held in uncertificated form and/or accepted for clearance through CREST, or notice is received by or on behalf of the Issuer that the Metal Securities will cease to be held in uncertificated form and cleared through CREST and/or CREST is closed for business for a continuous period of 14 calendar days (other than by reason of holidays, statutory or otherwise) or CREST announces an intention permanently to cease business or does in fact do so, the Metal Securities shall continue to be in registered form and the Issuer, the Registrar, the Issuing and Paying Agent and any other relevant Programme Party may agree such procedures as they determine necessary in relation to the transfer of Uncertificated Registered Securities and shall as soon as reasonably practicable give notice thereof to the Securityholders in accordance with Condition 17 (*Notices*).

The provisions of the second paragraph of this Condition 3.6 (*Exchange of Uncertificated Registered Securities*) shall apply equally in the case where a holder ceases to be a CREST member, but for such purposes only the affected holder will need to be notified of the procedures adopted.

If the rules and procedures of the Registrar and/or for so long as the Uncertificated Registered Securities are held in CREST the rules and procedures of CREST include any closed period in which no Securityholder may require the transfer of an Metal Security to be registered in the Register, such closed periods shall apply to Uncertificated Registered Securities. Details of any such closed period will be available from the Registrar.

4 CONSTITUTION AND STATUS

Each Class of Metal Securities is constituted by the applicable Trust Deed and secured by the applicable Security Deed, and each applicable Security Document. The Metal Securities of each Class are secured, limited recourse obligations of the Issuer, at all times ranking *pari passu* and without any preference among themselves, secured in the manner described in Condition 6 (*Security*) and recourse in respect of which is limited in the manner described in Condition 6.4 (*Limited recourse and non-petition*). Each Metal Security has a Principal Amount set out in the Final Terms and without prejudice to the provisions of Condition 7 (*Redemption*) but subject always to the provisions of Condition 6.4 (*Limited recourse and non-petition*), a Securityholder may elect to receive on Redemption an amount in cash equal to the Principal Amount in lieu of the amount otherwise specified in Condition 7 (*Redemption*). The Issuer acknowledges in the Trust Deed its indebtedness in respect of the aggregate Principal Amount.

5 METAL ENTITLEMENT PER SECURITY

5.1 Calculation and publication of Metal Entitlement per Security

The Administrator shall determine the Metal Entitlement per Security in respect of each calendar day and each Class of Metal Security, and the Issuer shall publish such Metal Entitlement per Security in respect of each calendar day during the term of the Metal Securities on the Issuer's Website up to (and including) the Compulsory Redemption Date in respect of all of the Outstanding Metal Securities of such Class.

5.2 Initial Metal Entitlement per Security

As at the Issue Date of the Initial Tranche of The Royal Mint Physical Gold ETC Securities such Class of Metal Securities shall have a Metal Entitlement per Security of 0.01 fine troy ounce of gold.

5.3 Calculation of Metal Entitlement per Security

Subject to Condition 5.2 (*Initial Metal Entitlement per Security*), the Metal Entitlement per Security on a calendar day shall be an amount of Metal per Metal Security (calculated to nine decimal places with 0.0000000005 fine troy ounces (in case of gold) rounded upwards, and subject to a floor of zero) calculated by the Determination Agent as follows for each class of Metal Security:

$$ME_{(i,t)} = ME_{(i,t-1)} \times (1 - TER_{(i,t)})^{1/N}$$

Where:

"i" means to the relevant class of Metal Security;

"t" means the applicable day (with t-1 being the previous day);

"ME_t" means the Metal Entitlement per Security in respect of the relevant calendar day;

"ME_{t-1}" means the Metal Entitlement per Security in respect of the immediately preceding calendar day;

"TER_t" means the Total Expense Ratio as of the relevant calendar day, expressed as a decimal; and

"N" means 365 (or 366 when the relevant calendar day is in a leap year).

5.4 **Total Expenses Ratio**

(a) The "**Total Expense Ratio**" is the rate per annum specified as such in the Final Terms in respect of each Class of Metal Securities. The Total Expense Ratio in respect of a Class is applied to the Metal Entitlement per Security for such Class on a daily basis to determine a daily deduction of an amount of Metal from such Metal Entitlement per Security. The initial Total Expense Ratio for each Class shall be set out in the Final Terms of the first Tranche of Metal Securities for that Class.

(b) The Total Expense Ratio shall cease to apply to a Class of Metal Securities on the Compulsory Redemption Date relating to such Class.

(c) The Issuer may vary the Total Expense Ratio in respect of a Class provided that no increase in the Total Expense Ratio in respect of a Class will take effect unless the Securityholders of such Class have been given at least 30 calendar days' prior notice in accordance with Condition 17 (*Notices*).

(d) The Issuer shall publish the Total Expense Ratio in respect of each Class of Metal Securities from time to time on the Issuer's Website.

5.5 **Total Expense Ratio Metal**

Any accrued Metal representing the reduction in the Metal Entitlement per Security due to the daily application of the Total Expense Ratio will be transferred from the relevant Secured Account to the Metal Agent in accordance with the relevant Custody Agreement and will be sold, and its proceeds paid to the order of the Issuer, in accordance with the Metal Agent Agreement.

6 **SECURITY**

6.1 **Enforcement of Security constituted by the Security Documents**

The Security constituted by the applicable Security Documents in respect of each Class shall become enforceable upon the occurrence of an Event of Default.

6.2 **Realisation of Security constituted under each Security Document**

At any time after the Security constituted by any Security Document has become enforceable, the Trustee may, at its discretion, and shall, if so directed in writing by (i) the holders of at least one-fifth in number of the Metal Securities of the relevant Class then Outstanding, or (ii) by an Extraordinary Resolution of the Securityholders of the relevant Class, in each case subject to its having been pre-funded and/or secured and/or indemnified (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with acting on such directions, direct the Security Trustee to enforce the Security constituted by the relevant Security Document.

To do this, the Security Trustee may, at its discretion and once directed to do so by the Trustee, (i) enforce any relevant Programme Document relating to the Metal Securities of such Class in accordance with its or their terms and/or take action against the relevant Obligor(s), (ii) take action against the Issuer, and/or (iii) take possession of and/or realise all or part of the assets over which the Security constituted by the relevant Security Document shall have become enforceable and may in its discretion, sell, call in, collect and convert into

money all or part of such assets, in such manner, at such time and on such terms as it thinks fit, in each case without any liability as to the consequence of such action and without having regard to the effect of such action on individual Securityholders.

The Security Trustee may, in writing, appoint a receiver or receivers over all or part of the assets over which the Security constituted by the relevant Security Document shall have become enforceable and may remove any receiver so appointed and appoint another in its place. No delay or waiver of the right to exercise these powers shall prejudice their future exercise.

Neither the Security Trustee nor any receiver appointed by it or any attorney or agent of the Security Trustee shall, by reason of taking possession of any assets or any other reason and whether or not as mortgagee in possession, be liable to account for anything except actual receipts or be liable for any loss or damage arising from the realisation of such assets or from any act or omission to such assets or otherwise unless such loss or damage shall be caused by its own fraud, gross negligence or wilful misconduct.

The Security Trustee shall not be required to take any action in relation to the Security constituted by a Security Document which may be illegal or contrary to any applicable law or regulation or cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded (without prejudice to any further demand) to its satisfaction against all liabilities which may be incurred in connection with such action.

6.3 **Application of proceeds of enforcement of Security**

Pursuant to the terms of the Trust Deed, the Trustee will apply any amounts received or recovered under the applicable Trust Deed and the proceeds derived from the realisation of the assets that are the subject of the Security constituted by the relevant Security Documents (whether by way of liquidation or enforcement) as follows:

(i) first, in repayment to the Custodian of the loan made by it of the Over-allocated Metal, by payment to the Custodian of the Over-allocated Metal Proceeds (either by way of delivery of Metal or payment of cash);

(ii) second, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts properly incurred by or payable in respect of the Metal Securities to the Trustee, the Security Trustee or any receiver under or pursuant to the Security Documents (which shall include, without limitation, any Taxes required to be paid by the Trustee (other than any income, corporation or similar Tax in respect of the Trustee's remuneration), the costs of enforcing or realising all or some of the Security constituted by the Security Documents);

(iii) third, in payment or satisfaction of any fees, expenses or other amounts due pursuant to the Issuing and Paying Agency Agreement (including payment of any amounts owing for reimbursement in respect of any proper payment of amounts paid to Securityholders and default interest (if any) made to the Securityholders);

(iv) fourth, in payment of any amounts owing to the Securityholders pari passu and rateably; and

(v) fifth, in payment of any balance to the Issuer for itself.

6.4 **Limited recourse and non-petition**

In respect of any claim against the Issuer in connection with any relevant Class of Metal Securities or otherwise (whether arising under the relevant Trust Deed, the Programme Documents, the general law or otherwise), the Programme Parties and the Securityholders shall have recourse only to the Secured Property in respect of such relevant Class of Metal

Securities, and not to any other assets of the Issuer. If, following realisation in full of the Secured Property (whether by way of liquidation or enforcement) and application of available cash sums as provided in this Condition 6 (*Security*), the Trust Deed and any Security Deed, as applicable, any outstanding claim against the Issuer, whether secured or unsecured, remains unpaid, then such outstanding claim shall be extinguished and no debt shall be owed by the Issuer in respect thereof. Following the extinguishment of any such claim, none of the Programme Parties, the Securityholders or any other person acting on behalf of any of them shall be entitled to take any further steps against the Issuer or any of its officers, shareholders, corporate service providers or directors to recover any further sum in respect of the extinguished claim and no debt shall be owed to any such persons by the Issuer in respect of such further sum.

None of the Programme Parties or the Securityholders or any person acting on behalf of any of them may, at any time, bring, institute or join with any other person in bringing, instituting or joining insolvency, administration, bankruptcy, winding-up, examinership or any other similar proceedings (whether court-based or otherwise) in relation to the Issuer or any of its assets (other than in respect of the Secured Property in respect of the Metal Securities in question), and none of them shall have any claim arising with respect to the sums, assets and/or property attributable to any other securities issued by the Issuer (save for any further securities which form a single Class with the Metal Securities).

The provisions of this Condition 6.4 (*Limited recourse and non-petition*) shall survive notwithstanding any Redemption of the Metal Securities or the termination or expiration of any Programme Document.

6.5 Issuer's rights as beneficial owner of Secured Property

Notwithstanding Condition 14.1 (*Meetings of Securityholders*), unless otherwise directed in a Security Document at any time before the Security constituted by a Security Document in respect of a Class of Metal Securities becomes enforceable, the Issuer may, without the sanction of an Extraordinary Resolution and without the prior written consent of the Trustee or Security Trustee:

(a) take such action in relation to the Secured Property relating to the Metal Securities as may not be prohibited by the Programme Documents; and

(b) exercise any rights incidental to the ownership of the assets which are the subject of the Security constituted by the relevant Security Document and are exercisable by the Issuer and, in particular (but, without limitation, and without responsibility for their exercise), any voting rights in respect of such property and all rights to enforce any such ownership interests in respect of such property,

provided that the Issuer shall not exercise any rights with respect to such assets if it would be prejudicial to any Security in respect of such Metal Securities or if it is directed to the contrary by the Trustee or by an Extraordinary Resolution. If such direction is given, the Issuer shall act only in accordance with such direction.

7 REDEMPTION

7.1 Redemption right

Each Metal Security shall carry:

(a) if Metal Delivery applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) to delivery in Metal of an amount equal to the Metal Entitlement per Security (rounded down to the nearest 0.001 fine troy ounce in the case of gold (or troy ounce in the case of other Metal)) as further specified in Condition 7.7 (*Metal Delivery*); and

(b) if Metal Sale applies, a right on Redemption pursuant to this Condition 7 (*Redemption*) or pursuant to a Compulsory Redemption to payment of any amount equal to the pro-rata share in respect of that Metal Security in the Net Redemption Sale Proceeds of the Metal Sale as further specified in Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*) (as the case may be).

7.2 **Redemption by Authorised Participants**

A Securityholder who is also an Authorised Participant may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Metal Securities by submitting a valid Redemption Form. Metal Delivery shall apply to such Redemption save that Metal Sale will apply in the circumstances specified in Condition 7.8 (*Metal Sale*).

7.3 **Redemption by Non-AP Securityholders**

A Non-AP Securityholder may (subject to these Conditions) require the Issuer to Redeem all or any part of its holdings in Metal Securities by submitting a valid Redemption Form. Metal Delivery shall apply to such Redemption save that:

(a) if the Issuer has given notice under Condition 17 (*Notices*) that there are no Authorised Participants and that notice remains in effect, the Non-AP Securityholder may elect that Metal Sale shall apply to such Redemption; and

(b) Metal Sale shall apply in the circumstances specified in Condition 7.8 (*Metal Sale*).

7.4 **Redemption Forms**

(a) A Redemption Form:

(i) must be in writing;

(ii) must specify the number and Class of any Metal Securities to be Redeemed;

(iii) must:

(A) in respect of a Redemption Form submitted by a Non-AP Securityholder, be signed by the Securityholder or by an authorised signatory on behalf of it; or

(B) in respect of a Redemption Form submitted by an Authorised Participant, be authenticated by such other method as described in the Operating Procedures;

(iv) is irrevocable once it has been submitted to the Issuer.

(b) A Redemption Form shall only be valid if:

(i) it is in the form specified by the Issuer with respect to the type of Securityholder (Securityholder that is also an Authorised Participant or Non-AP Securityholder) and the applicable Redemption Mechanism;

(ii) it complies with the requirements of Conditions 7.4(a)(i) (*Redemption Forms*) to 7.4(a)(iii) (*Redemption Forms*);

(iii) the Redemption does not constitute a Prohibited Physical Redemption;

(iv) it is received by the Issuer between 8.00 a.m. (London time) and the Notice Deadline on any Business Day (save that the Issuer may in its sole and absolute

discretion decide to treat a Redemption Form received on a Business Day after the Notice Deadline as if it had been received before the Notice Deadline);

(v) in the case of a Redemption by a Non-AP Securityholder, the Securityholder has paid the Redemption Fee referred to at Condition 7.5 (*Redemption Fee*);

(vi) it is confirmed as valid by the Issuer (or the Administrator acting on behalf of the Issuer) by 3.45 p.m. on the Business Day on which it is received (or deemed to be received);

(vii) the Securityholder has complied with all compliance and identification checks reasonably required by the Issuer;

(viii) the Redemption Form is received or is deemed to have been received before the occurrence of a Compulsory Redemption Event;

(ix) it is not invalid by virtue of a suspension of Redemptions pursuant to Condition 7.9 (*Suspension of Redemptions*);

(x) in the case of a Redemption by a Non-AP Securityholder by Metal Delivery, the Redemption Form specifies a Securityholder Metal Account into which the relevant Metal can be deposited; and

(xi) such Redemption Form is submitted by a Securityholder on any Business Day and no other Redemption Form has been submitted by that Securityholder on or in respect of such Business Day in respect of the same Class (unless the Issuer otherwise agrees in its absolute discretion).

(c) The Issuer shall be deemed to have received a Redemption Form at such time as the Administrator has notified the Determination Agent that it has received it.

(d) If the Issuer determines that a Redemption Form is valid, it shall confirm that fact to the Securityholder as soon as reasonably practicable. No Metal Securities may be Redeemed pursuant to a Redemption Form that the Issuer has not confirmed as valid.

(e) Once it has received a valid Redemption Form from a Securityholder in relation to Metal Securities and confirmed that fact to the Securityholder, the Issuer shall take all steps necessary to give effect to such Redemption Form as required by this Condition 7 (*Redemption*).

(f) The Issuer may change or vary the procedures for the submission of Redemption Forms on not less than five days' prior notice to the Securityholders in accordance with Condition 17 (*Notices*) and these Conditions shall be interpreted accordingly.

7.5 **Redemption Fee**

(a) On an Optional Redemption of Metal Securities by a Securityholder which is also an Authorised Participant, the Redemption Fee payable by a Securityholder shall be the amount specified in the Operating Procedures.

(b) On an Optional Redemption of Metal Securities by a Non-AP Securityholder, the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer of complying with the Redemption Form, which shall be notified to the Securityholder at the time of the Redemption, and shall not be greater than €600 or such other amount as may be notified in accordance with Condition 17 (*Notices*). The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption.

(c) On a Compulsory Redemption of Metal Securities by the Issuer pursuant to Condition 8.4 (*Compulsory Redemption for Cause*), the Redemption Fee payable by the Securityholder shall be an amount equal to the cost to the Issuer incurred in respect of the Redemption, being an amount not greater than the amount specified in the Operating Procedures or such other amount as may be notified in accordance with Condition 17 (*Notices*). The Issuer shall give notice to Securityholders of Metal Securities subject to such Compulsory Redemption of the amount of those costs and their allocation to particular Securityholders at the time of the Redemption. The Issuer may agree to receive such Redemption Fee in a currency other than the Relevant Currency converted at the then prevailing exchange rate available to, and as certified by, the Issuer. Any such Redemption Fee shall be payable in cash and shall not be capable of being set-off against any amount due to the Securityholder on Redemption. No Redemption Fee is payable with respect to a Compulsory Redemption save pursuant to Condition 8.4 (*Compulsory Redemption for Cause*).

(d) Save where Condition 7.5(b) (*Redemption Fee*) applies, it is a condition to the performance by the Issuer of its obligation to Redeem Metal Securities where Metal Sale applies that the Issuer may deduct the Redemption Fee from the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption and that if it does not so deduct the Redemption Fee from such amount the Securityholder shall pay the Redemption Fee in accordance with this Condition 7.5 (*Redemption Fee*). Save where Condition 7.5(b) (*Redemption Fee*) applies, the Issuer may set-off the amount of the Redemption Fee payable under this Condition 7.5 (*Redemption Fee*) against the pro-rata share of the Net Redemption Sale Proceeds or other amount due to the Securityholder on Redemption.

7.6 **Redemption Obligations**

(a) Upon a valid Redemption Form having been submitted and its validity having been confirmed by the Issuer (or the Administrator on its behalf) in respect of Metal Securities, those Metal Securities may not be transferred by the Securityholder except where such transfer is to the Issuer, and the Issuer may refuse to recognise any other purported transfer.

(b) Where a Redemption Form has been submitted for the Redemption of Metal Securities, the Securityholder of the Metal Securities subject to the Redemption must:

(i) (if the Metal Securities subject to the Redemption are in Uncertificated Form), transfer the Metal Securities into an appropriate account with the Relevant Clearing System and give correct instructions in accordance with the Redemption Form; and

(ii) (if the Metal Securities subject to the Redemption are in Certificated Form), deliver the Metal Securities to be Redeemed and any certificates representing them to the Issuer in such manner as the Issuer may agree.

(c) In order for the Issuer to effect a Redemption on the Redemption Settlement Date, the Securityholder must have complied in full with its obligations under Condition 7.6(b) (*Redemption Obligations*) (its "**Securities Delivery Obligation**") by 3.00 p.m. London time on the second Business Day following the Trade Date. Any failure by the Securityholder to comply with its Securities Delivery Obligation by that time shall not cause the Redemption of such Metal Securities to be invalid but the Securityholder shall not be entitled to deliveries or payments in connection with the Redemption unless and until the Securities Delivery Obligation has been complied with. No interest or other amount shall be payable in connection with late deliveries or payments resulting from a failure to comply with the Securities Delivery Obligation.

(d) If Metal Securities are Redeemed in accordance with this Condition 7 (*Redemption*) or Condition 8 (*Compulsory Redemption*), the Issuer shall have the right to cancel the entry in the Register in respect of the Metal Securities being Redeemed upon: (i)

delivery of the Metal Entitlement to the relevant Securityholder in respect of the Metal Securities being Redeemed, or (ii) payment of the amount due to the relevant Securityholder pursuant to Condition 7.8 (*Metal Sale*) or Condition 8.5 (*Compulsory Redemption Process*).

(e) The Issuer may, at any time, notify a Securityholder that the Issuer may have to withhold or deduct from any payment (if applicable) that corresponds to the Redemption Form an amount for or on account of, any present or future Taxes as required by law (as modified by the practice of any relevant governmental revenue authority) then in effect and such notice shall specify any form or document to be delivered by beneficial owners of Metal Securities that may allow the Issuer to make such payment without any such withholding or deduction or with such withholding or deduction at a reduced rate. If such forms or documents are not provided to the Issuer by the relevant Securityholder or if it is not the beneficial owner of the Metal Securities held by such Securityholder and which are to be Redeemed, then any such payment will be reduced (and the matching obligation of the Issuer to deliver or to procure the delivery of the Metal Entitlement per Security), or other amount due to that Securityholder will also be reduced, by the amount of the withholding or deduction.

7.7 **Metal Delivery**

(a) If Metal Securities of a Class are required to be Redeemed by Metal Delivery in accordance with this Condition 7 (*Redemption*), the Issuer shall upon receipt of the relevant valid Redemption Form and satisfaction of the Securities Delivery Obligation instruct the Custodian to transfer Metal attributable to or forming part of the Secured Property in respect of such Metal Securities from the relevant Secured Allocated Accounts to the applicable Securityholder Metal Account in an amount equal to the Metal Entitlement of the Metal Securities held by that holder that are being Redeemed, calculated as of the Trade Date, to be delivered to such account on the Redemption Settlement Date.

(b) If Metal Securities are Redeemed by Metal Delivery, all title to and risk in such Metal shall pass to the Redeeming Securityholder on the relevant Redemption Settlement Date. Neither the Issuer nor the Trustee shall be liable for any failure by the Custodian to effect a delivery of the required Metal in accordance with the Issuer's instructions. If such failure occurs, the Issuer shall to the extent reasonably practicable assign to the Redeeming Securityholder its claims in respect of such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be Redeemed and the Securityholder shall have no further claims in respect of such Redemption against the Issuer or the Secured Property.

7.8 **Metal Sale**

(a) Metal Sale will apply if:

(i) a Non-AP Securityholder elects for Metal Sale to apply in accordance with Condition 7.3(a) (*Redemption by Non-AP Securityholders*);

(ii) in the case of a Redemption by a Non-AP Securityholder, the Securityholder does not certify in the Redemption Form that it is not a Prohibited Metal Holder; or

(iii) the Metal to which the Securityholder is entitled on Redemption is not successfully delivered to the Securityholder (unless this results from the fault of the Issuer) and is not claimed by such Securityholder by the 30th calendar day after the Redemption Settlement Date (whereupon the Metal Entitlement per Security will be determined as of the first Business Day following the expiry of such 30 day period).

(b) If Metal Sale is the applicable Redemption Mechanism to the Optional Redemption of Metal Securities by one or more Securityholders, the Issuer will:

(i) give notice to the Metal Agent under the Metal Agent Agreement to sell on the Metal Sale Date an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Metal Securities to be sold by Metal Sale on such Metal Sale Date; and

(ii) direct the Custodian to deliver such amount of Metal to, or to the order of, the Metal Agent on the Business Day immediately preceding the applicable Metal Sale Date equal to the Metal Entitlement in respect of the number of Metal Securities of each relevant Class to be sold by Metal Sale on such Metal Sale Date so as to sell such Metal to give effect to the Redemption.

(c) Pursuant to the terms of the Security Documents in respect of each Class, the Security in respect of the Metal described in Condition 7.8(b)(i) (*Metal Sale*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of such Metal, provided that nothing in this Condition 7.8 (*Metal Sale*) shall release the charges and other security interests over the proceeds of the sale of such Metal.

(d) The Metal Agent shall (acting as agent of the Issuer) sell the Metal in a timely fashion on the Metal Sale Date in accordance with the Metal Agent Agreement.

(e) In selling the Metal, the Metal Agent is authorised under the Metal Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the Metal Sale Date and may do so in one or more transactions.

(f) The Metal Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Metal; (ii) any other amounts properly incurred by it in connection with any such sale; and (iii) if applicable, any Over-allocated Metal Cash Proceeds, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions.

(g) On the first Business Day following the Metal Sale Date, the Metal Agent shall notify the Issuer (and, as the case may be, the Trustee) of the Actual Redemption Sale Proceeds received in respect of any Metal that has been sold on such Metal Sale Date (and the details of each sale of Metal including the price, volume and date of each such sale).

(h) Immediately following deduction of any Taxes or other amounts in accordance with Condition 7.8(f) (*Metal Sale*), the Metal Agent shall pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account and in any event by no later than 2.00 p.m. London time (or such later time as the Issuer may agree) on the second Business Day following the Metal Sale Date. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5) (*Redemption Fee*) to each relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account).

(i) If Metal Sale applies the Securityholder of the Metal Securities being Redeemed acknowledges and agrees:

(i) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Metal Securities;

(ii) that the Issuer and the Trustee make no representations or warranties as to the price at which Metal will be sold or the amount of the proceeds of sale realised from the sale of Metal; and

(iii) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Metal Agent in respect of any sale of Metal pursuant to the Metal Agent Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be Redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

7.9 **Suspension of Redemptions**

(a) If on any Business Day (a "**Threshold Event Date**") the Determination Agent determines that the market value of the Metal Entitlement per Security has fallen to less than 300 per cent. of the Principal Amount of the Metal Securities:

(i) the Issuer may at any time after the Threshold Event Date, for so long as the Determination Agent determines that the market value of the Metal Entitlement per Security continues to be less than 300 per cent. of the Principal Amount of the Metal Securities, suspend the right to request Redemption of Metal Securities pursuant to Condition 7 (*Redemption*); and

(ii) the Issuer shall give notice convening a meeting of Securityholders to take place on a date not more than 30 calendar days after the Threshold Event Date for the purpose of considering an Extraordinary Resolution which would have the effect of reducing the Principal Amount of the Metal Securities to an amount which the Determination Agent determines is not less than 2 per cent. of the market value of the Metal Entitlement per Security as at the time of suspension of Redemptions, in which event the suspension will cease only if such Extraordinary Resolution is passed,

in each case, subject as provided in this Condition 7 (*Redemption*), the Issuer may at its discretion terminate any such suspension at any time.

(b) The following provisions shall apply where Redemptions have been suspended pursuant to Condition 7.9(a) (*Suspension of Redemptions*):

(A) the Issuer shall give notice of any such suspension and of the termination of any such suspension to the parties to the relevant Programme Documents and the Securityholders in accordance with Condition 17 (*Notices*), as soon as reasonably practicable, but the failure to give any such notice shall not prevent the exercise of such discretions;

(B) any such suspension may continue for a period of up to 60 days, and may continue thereafter at the discretion of the Issuer if the Extraordinary Resolution referred to in Condition 7.9(a)(ii) (*Suspension of Redemptions*) above has not been passed; and

(C) any suspension shall not affect any Redemption pursuant to a Redemption Form confirmed as valid on a date which had passed before the suspension commenced, but any Redemption Form in respect of Metal Securities submitted or deemed to be received on a Business Day when the right to request Redemption of the Metal Securities pursuant to Condition is suspended pursuant to this Condition 7.9 (*Suspension of Redemptions*) shall be invalid.

7.10 **Redemption Settlement Date**

In relation to any Redemption pursuant to this Condition 7 (*Redemption*), the Redemption Settlement Date will be the second Business Day following the applicable Trade Date, provided that in the case of Redemption by Metal Sale the Redemption Settlement Date shall be the second Business Day following receipt by the Issuer in full cleared funds of the Net Redemption Sale Proceeds with respect to the Metal Sale (and if such day is not also a Payment Business Day, the Redemption Settlement Date will be the next Payment Business Day).

8 COMPULSORY REDEMPTION

8.1 **Issuer Call Redemption Event**

The Issuer may, on giving an irrevocable notice to the relevant Securityholders in accordance with Condition 17 (*Notices*), elect to Redeem all or some only of the Metal Securities of a Class and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than 30 calendar days following the date of the relevant notice (such notice an "**Issuer Call Redemption Notice**"). In the event that the Issuer elects to Redeem only some of the Outstanding Metal Securities of a Class pursuant to an Issuer Call Redemption Notice, a pro-rata portion of each Securityholder's Metal Securities of such Class shall be subject to such Redemption.

For the purposes of Condition 8.2 (*Compulsory Redemption Events*), a Compulsory Redemption Event in the form of an "Issuer Call Redemption Event" will occur on the Compulsory Redemption Date designated in the Issuer Call Redemption Notice (or if such day is not a Business Day on the first following Business Day). The Issuer shall give a copy of the Issuer Call Redemption Notice to each of the relevant Programme Parties on the same date as such notice is given to the Securityholders.

8.2 **Compulsory Redemption Events**

Each of the following events shall be a compulsory Redemption event in respect of the Metal Securities of a Class (each a "**Compulsory Redemption Event**"):

(a) Threshold Redemption Event: if on any Business Day falling on or after the 60th calendar day following a Threshold Event Date, the market value (as determined by the Determination Agent) of the Metal Entitlement per Metal Security of a Class is less than 175 per cent. of the Principal Amount of such Metal Securities, the Issuer shall designate a Compulsory Redemption Date in respect of the Class of Metal Securities;

(b) Termination of appointment of Agent or Authorised Participants: if any of the Determination Agent, the Administrator, the Issuing and Paying Agent, the Registrar, the Transfer Agent, the Metal Agent in relation to a Class of Metal Securities, the Account Bank in relation to a Class of Metal Securities or all of the Authorised Participants in relation to the Metal Securities resign their appointment or their appointment is terminated for any reason and no successor or replacement has been appointed at the time that such resignation or termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an "**Agent Redemption Event Notice**") to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Agent Redemption Event Notice;

(c) Termination of Custody Agreement: if any Custody Agreement is terminated and no replacement Custody Agreement has been entered into at the time that such termination takes effect in accordance with the applicable Programme Document, and the Issuer gives notice (an "**Custody Redemption Event Notice**") to the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17

(*Notices*), a Compulsory Redemption Date will occur on the fifth Business Day after the date of the Custody Redemption Event Notice;

(d) Change in law or regulation Redemption Event: if on or after the Class Issue Date (a) due to the adoption of or any change in any applicable law, regulation, rule, order, ruling or procedure (including, without limitation, any tax law and any regulation, rule, order, ruling or procedure of any applicable regulatory authority, tax authority and/or any exchange), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority):

(i) it has (or the Issuer reasonably expects that it will) become illegal for the Issuer to perform its obligations under the Metal Securities; or

(ii) the Issuer would (or would expect to) incur a materially increased cost in performing its obligations under the Metal Securities (including, without limitation, any increase in any applicable Taxes, any decrease in any applicable tax benefit and/or any other costs or liability to Tax of the Issuer relating to any change in any applicable tax law or regulation),

the Issuer may give the relevant Programme Parties and the relevant Securityholders in accordance with Condition 17 (*Notices*) notice that the Metal Securities are to be Redeemed and designate a Compulsory Redemption Date for such purposes, provided that the date designated as the Compulsory Redemption Date shall not be earlier than the fifth London Business Day following the date of the relevant notice (such notice an "**Issuer Redemption Notice**");

(e) Issuer Call Redemption Event: an Issuer Call Redemption Event occurs pursuant to Condition 8.1 (*Issuer Call Redemption Event*).

Notwithstanding anything to the contrary in the Conditions or any Programme Document, if at any time following the occurrence of a Compulsory Redemption Event (the "**Initial Early Redemption Event**") an event or circumstance which would otherwise constitute or give rise to a Compulsory Redemption Event occurs (the "**Secondary Early Redemption Event**") in respect of which the Compulsory Redemption Date relating thereto occurs (or would occur) prior to the date that would have been the Compulsory Redemption Date in respect of the Initial Early Redemption Event, the Secondary Early Redemption Event shall prevail and all references to the "**Compulsory Redemption Event**" in the Conditions and the Programme Documents shall be construed accordingly.

8.3 **Events of Default**

If any of the following events (each, an "**Event of Default**") occurs, the Trustee at its discretion may, or will if so directed in writing by holders of at least one-fifth in number of the Metal Securities of a Class then Outstanding or if so directed by an Extraordinary Resolution of a Class of Metal Securities (provided that in each case the Trustee shall have been indemnified and/or secured and/or pre-funded to its satisfaction), give notice to the Issuer (copied to each relevant Programme Party) (such notice a "**Default Redemption Event Notice**") that such relevant Class of Metal Securities are, and they shall immediately become, due and payable:

(a) the Issuer defaults in the payment of any sum due in respect of a Class of Metal Securities or any of them for a period of 14 calendar days or more;

(b) the Issuer does not perform or comply with any one or more of its obligations (other than a payment obligation) under a Class of Metal Securities, the Trust Deed, the Security Deed or any other Programme Document relating to that Class, which default is incapable of remedy or, if in the opinion of the Trustee capable of remedy, is not remedied within 30 calendar days (or such longer period as the Trustee may permit) after notice of such default shall have been given to the Issuer by the Trustee (and, for these purposes, a failure to perform or comply with an obligation shall be deemed to be

remediable notwithstanding that the failure results from not doing an act or thing by a particular time);

(c) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution;

(d) an examiner is appointed in respect of the Issuer;

(e) any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Custodian in respect of that Class of Metal Securities, save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution; or

(f) the Custodian in respect of that Class of Metal Securities seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets.

The Issuer will, as soon as reasonably practicable, after receipt of a Default Redemption Event Notice, give notice thereof to the applicable Securityholders of such Class.

8.4 **Compulsory Redemption for Cause**

The Issuer may, in its absolute discretion, at any time give written notice to a Securityholder that any Metal Securities of a Class held by that Securityholder are to be subject to Compulsory Redemption and specifying a Business Day (being not less than seven days and not more than fourteen days following the date of the notice) to be the Compulsory Redemption Date in respect of such Metal Securities, if the Issuer considers (in its sole discretion) (i) that such Metal Securities are or may be owned or held directly or beneficially by any person in breach of any law or requirement of any country or by virtue of which such person is not qualified to own those Metal Securities, or (ii) that the ownership or holding or continued ownership or holding of those Metal Securities (whether on its own or in conjunction with any other circumstance appearing to the Issuer to be relevant) would, in the reasonable opinion of the Issuer, cause a pecuniary or tax disadvantage to the Issuer or any other Securityholders which it or they might not otherwise have suffered or incurred.

8.5 **Compulsory Redemption Process**

(a) If a Compulsory Redemption Date is designated in accordance with these Conditions, the Metal Securities shall be Redeemed by Metal Sale and the provisions of this Condition 8.5 (*Compulsory Redemption Process*) shall apply.

(b) The Issuer (or in the case of a Compulsory Redemption pursuant to Condition 8.3 (*Events of Default*) the Trustee acting on the Issuer's behalf) shall:

(i) no later than 8.00 a.m. on the First Compulsory Metal Sale Date and on each successive Compulsory Metal Sale Date in accordance with Condition 17 (*Notices*), publish the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date;

(ii) give notice to the Metal Agent under the Metal Agent Agreement to sell on each Compulsory Metal Sale Date an amount of Metal attributable to or forming part of the Secured Property equal to the Metal Entitlement in respect of the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date; and

(iii) direct the Custodian to deliver such an amount of Metal to, or to the order of, the Metal Agent on the Business Day immediately preceding the applicable

Compulsory Metal Sale Date equal to the Metal Entitlement in respect of the Compulsory Daily Sale Number of Metal Securities of each relevant Class to be sold by Metal Sale on such Compulsory Metal Sale Date so as to sell such Metal to give effect to the Redemption.

(c) Pursuant to the terms of the Security Documents in respect of each Class, the Security in respect of the Metal described in Condition 8.5(b)(ii) (*Compulsory Redemption Process*) shall automatically be released without further action on the part of the Security Trustee to the extent necessary to give effect to the sale of the Metal, provided that nothing in this Condition 8.5 (Compulsory Redemption Process) shall release the charges and other security interests over the proceeds of the sale of such Metal.

(d) Upon each Compulsory Metal Sale Date, the Metal Agent shall (acting as agent of the Issuer) sell the Metal referred to in the notice under Condition 8.5(b)(ii) (*Compulsory Redemption Process*) in a timely fashion on the applicable Compulsory Metal Sale Date in accordance with the Metal Agent Agreement.

(e) In selling such Metal, the Metal Agent is authorised under the Metal Agent Agreement to take such steps as, acting in a commercially reasonable manner, it considers appropriate in order to effect an orderly sale of the Metal in a timely fashion (taking into account the circumstances at the time and the amount of Metal to be sold) and to effect such sale at any time or from time to time on the applicable Compulsory Metal Sale Date and may do so in one or more transactions.

(f) The Metal Agent shall be permitted promptly to deduct from the Actual Redemption Sale Proceeds (i) any Taxes arising from or connected with any such sale of Metal, and (ii) any other amounts properly incurred by it in connection with any such sale, and it shall not be liable to account for anything except the actual proceeds of any such sale received by it after such deductions.

(g) On the first Business Day following each Compulsory Metal Sale Date, the Metal Agent shall notify the Issuer and Trustee of the Actual Redemption Sale Proceeds received in respect of any Metal that has been sold on such Compulsory Metal Sale Date (and the details of each sale of Metal including the price, volume and date of each such sale).

(h) Immediately following deduction of any Taxes or other amounts in accordance with Condition 8.5(f) (*Compulsory Redemption Process*), the Metal Agent shall immediately pay the Net Redemption Sale Proceeds to the Issuer Redemption Cash Account, as applicable, and in any event by no later than 17.00 p.m. London time (or such later time as the Issuer may agree) on the day falling one Business Day after its receipt in full of the Actual Redemption Sale Proceeds. Once it has received the Net Redemption Sale Proceeds in full cleared funds, the Issuer will remit its pro-rata share of those proceeds (less any Redemption Fee in accordance with Condition 7.5 (*Redemption Fee*) to the relevant Securityholder through the Relevant Clearing System or to the Securityholder Cash Account).

(i) If Metal Sale applies, the Securityholder of the Metal Securities being Redeemed acknowledges and agrees:

(i) to accept the Net Redemption Sale Proceeds less any unpaid Redemption Fee in full settlement of the obligations of the Issuer in respect of the Redemption of such Metal Securities;

(ii) to, in respect of a Compulsory Redemption, notify the Issuer of the Securityholder Cash Account so as to enable payment by the Issuer of the Net Redemption Sale Proceeds;

(iii) that the Issuer and the Trustee make no representations or warranties as to the price at which Metal will be sold or the amount of the proceeds of sale realised from the sale of Metal; and

(iv) that neither the Issuer nor the Trustee shall be liable for any delay, failure or misconduct by the Metal Agent in respect of any sale of Metal pursuant to the Metal Sale Agreement, but in the event of any such failure, delay or misconduct, the Issuer shall to the extent practicable assign to the Redeeming Securityholder its claims in relation to such Metal in satisfaction of all claims of such Securityholder in respect of the Metal Securities to be redeemed and the Securityholder shall have no further claims against the Issuer or the Secured Property.

8.6 **Compulsory Redemption Settlement Date**

In relation to any Compulsory Redemption, the "**Compulsory Redemption Settlement Date**" shall be the second Payment Business Day following the receipt by the Issuer in full cleared funds of the Net Redemption Sale Proceeds with respect to the Metal Sale provided that if such day is not also a Payment Business Day, the Compulsory Redemption Settlement Date will be the next Payment Business Day.

9 **DISRUPTION EVENTS**

9.1 **Disruption Events**

The Determination Agent (or, in the case of a service provider disruption in respect of the Determination Agent in accordance with Condition 9.1(b) (*Disruption Events*), the Issuer) may (but is not obliged to), with respect to any day, determine that one or more of the following disruption events has occurred or exists on such day with respect to a Class of Metal Securities (each such event a "**Disruption Event**"):

(a) Metal Trading Disruption: either:

(i) trading and/or settlement in the relevant Metal is subject to a material suspension or material limitation on the over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of such Metal; or

(ii) the over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of the relevant Metal is not open for trading for any reason (including a scheduled closure); or

(iii) trading in the Metal on such over-the-counter market participated in by members of the Relevant Association or any other primary exchange or trading facility for the trading of such Metal has been permanently discontinued or has disappeared;

(b) Service Provider Disruption: save as otherwise agreed in the relevant Programme Document(s), if any of the Determination Agent, all of the Custodian(s), the Administrator, all of the Authorised Participants, the Account Bank and/or the Metal Agent resigns or their appointment is terminated for any reason and a successor or replacement has not yet been appointed, for such time until a successor or replacement has been appointed or an Agent Redemption Event Notice has been given under Condition 8.2(b) (*Compulsory Redemption Events*) (or a Custody Redemption Event Notice has been given under Condition 8.2(c) (*Compulsory Redemption Events*)); and/or

(c) Secured Accounts Disruption: any Metal held as Secured Property with respect to a Class has been lost or is inaccessible, other than where permitted in accordance with the Conditions and the Programme Documents.

9.2 **Determination of Disruption Events and Suspension Notices**

(a) If the Determination Agent, on any day, determines that a Disruption Event has occurred or exists with respect to a Class, it may (but shall not be obliged to) on the immediately following Business Day give notice of the postponement and/or suspension of:

(i) any request for the Subscription and/or Redemption of Metal Securities of such Class;

(ii) the settlement of any Subscription and/or Redemption of Metal Securities of such Class; and/or

(iii) any Compulsory Redemption Date (whether or not such date has yet been designated), any Compulsory Redemption Settlement Date and/or the delivery of any Metal or the payment of any amount (including any Net Redemption Sale Proceeds) in connection therewith,

to the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Custodian, specifying:

(A) the Disruption Event which has occurred or is existing on the relevant day;

(B) whether the suspension and/or postponement relating to such Disruption Event will be in respect of a single day (a "**Suspended Day**") or for as long as the Disruption Event continues (a "**Suspension Period**"); and

(C) which of the dates and/or events set out in Conditions 9.2(a)(i) (*Determination of Disruption Events and Suspension Notices*) to 9.2(a)(iii) (*Determination of Disruption Events and Suspension Notices*) will be postponed and/or suspended on such Suspended Day or during such Suspension Period, as applicable (and, in determining this, the Determination Agent shall consider whether the relevant Disruption Event would disrupt the actions required to be performed by the Issuer, any Authorised Participant and/or any other Programme Party in connection with a subscription of Metal Securities and/or a Redemption of Metal Securities),

(such notice, a "**Suspension Notice**"). If the Suspension Notice is in respect of a Suspension Period, such period will end when the Determination Agent notifies the Issuer, the Authorised Participants, the Administrator, the Trustee, the Security Trustee and the Administrator that such suspension and/or postponement is over.

(b) The Determination Agent is not under any obligation to monitor whether or not a Disruption Event has occurred or is continuing on any day with respect to a Class of Metal unless a Suspension Notice has been given in respect of a Suspension Period in which case the Determination Agent's obligation to monitor the relevant Disruption Event will continue until it has determined that such Disruption Event has ceased (following which it will give notification of the end of the Suspension Period in accordance with Condition 9.2(a)) (*Determination of Disruption Events and Suspension Notices*). The Determination Agent shall have no liability to the Issuer, the Trustee, the Security Trustee, any Custodian, any Securityholder, any Authorised Participant or any other person for any determination or non-determination that it makes in respect of the occurrence or existence of a Disruption Event.

(c) The Issuer shall, as soon as reasonably practicable after receipt by it of a Suspension Notice, give notice thereof to the Securityholders in accordance with Condition 17 (*Notices*).

9.3 **Postponement relating to the Redemption of the Metal Securities**

(a) If, in respect of a Disruption Event, the Determination Agent has specified in the related Suspension Notice that the Trade Date, Compulsory Redemption Date, Metal Sale Date and/or Redemption Settlement Date (a "**Disruption Postponable Date**") shall be postponed until following the end of the Suspended Day or Suspension Period, then if any Disruption Postponable Date does occur on the Suspended Day or during the Suspension Period, such Disruption Postponable Date shall be deemed to have been postponed until the first following Non-Disrupted Day, provided that if no such Non-Disrupted Day has occurred on or prior to the 10th Business Day following such Disruption Postponable Date, the Issuer, acting in good faith and in consultation with the Determination Agent, shall determine an appropriate method for Redeeming the Metal Securities and determining the Trade Date, Compulsory Redemption Date, Metal Sale Date and/or Redemption Settlement Date, as applicable, for the purposes of such Redemption of the Metal Securities (a "**Disrupted Redemption Method**"). For the avoidance of doubt, if any Disruption Postponable Date is postponed in accordance with this Condition 9.3(a), then any other dates or periods determined by reference to such Disruption Postponable Date that have yet to occur or conclude as at the time of such postponement shall also be postponed or adjusted accordingly.

(b) The Issuer shall, as soon as reasonably practicable following determination of any Disrupted Redemption Method, notify each relevant Programme Party and the relevant Securityholders of the details of such Disrupted Redemption Method in accordance with Condition 17 (*Notices*).

(c) No additional amount shall be payable or deliverable to any Authorised Participant or any Securityholder in connection with any postponement to the timing, or any amendment to the method, in each case in accordance with Condition 9.3(a) (*Postponement relating to the Redemption of the Metal Securities*), of Redemption of the Metal Securities.

10 **PAYMENTS, CALCULATIONS, AGENTS AND RECORDS**

10.1 **Payments net of Taxes**

All payments or deliveries in respect of the Metal Securities shall be made net of and after allowance for any withholding or deduction for, or on account of, any Taxes. In the event that any withholding or deduction for, or on account of, any Tax applies to payments or deliveries in respect of the Metal Securities, the Securityholders will be subject to such Tax or deduction and shall not be entitled to receive amounts to compensate for any such Tax or deduction. No Event of Default shall occur as a result of any such withholding or deduction.

10.2 **Payments**

(a) Payments of Principal in respect of Definitive Securities will, subject to Condition 10.3 (*Payments subject to fiscal laws*), be made against presentation and surrender of the relevant Metal Securities at the specified office of the Issuing and Paying Agent outside the United States, by a cheque payable in the Relevant Currency drawn on, or, at the option of the holder, by transfer to, an account denominated in such currency with a Bank. "**Bank**" means a bank in the principal financial centre of the currency of payment or, in the case of euros, a city in which banks in general have access to the TARGET2 System.

(b) For as long as the Metal Securities are represented by a Global Security deposited with a Relevant Clearing System and held by the Relevant Clearing System or a Common Depositary, Common Safekeeper or nominee, as applicable, on behalf of the Relevant Clearing System, the obligations of the Issuer under the Conditions to make payments or deliveries in respect of the Metal Securities will be discharged by payment to, or to the order of, the holder of the Global Security, subject to and in accordance with the terms of such Global Security. Each of the persons shown in the records of the Relevant

Clearing System as owning Metal Securities represented by such Global Security must look solely to the Relevant Clearing System for his share of any payment made by the Issuer to, or to the order of, the holder of the Global Security. Payments made to any person shown in the records of the Relevant Clearing System as owning any Metal Security represented by the Global Security shall be subject to and made in accordance with the rules of the Relevant Clearing System.

10.3 **Payments subject to fiscal laws**

All payments and/or deliveries (as applicable) in respect of the Metal Securities are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment. No commission or expenses shall be charged to the Securityholders in respect of such payments.

10.4 **Calculations**

(a) The Determination Agent will, as soon as reasonably practicable on such date and/or at such time as the Determination Agent is required in accordance with the Determination Agency Agreement and the Conditions and any other Relevant Provisions, perform such duties and obligations as are required to be performed by it in accordance therewith.

(b) The calculation by the Determination Agent of any amount, price, rate or value required to be calculated by the Determination Agent under the Relevant Provisions shall be made in good faith and shall (in the absence of manifest error) be final and binding on the Issuer, the Securityholders and the Programme Parties.

10.5 **Calculation by an alternative agent**

If at any time after the Security in respect of a Class of Metal Securities has become enforceable pursuant to Condition 6.1 (*Enforcement of Security constituted by the Security Documents*) and the Determination Agent does not make any calculation relating to the Metal Entitlement per Security or any Redemption amount when required pursuant to the Conditions and the Programme Documents then the Issuer will appoint an alternative agent on its behalf to make any calculation in place of the Determination Agent. Any such calculation shall, for the purposes of the Conditions and the Programme Documents be deemed to have been made by the Determination Agent. In doing so, the appointed agent shall apply the provisions of the Conditions and/or the relevant Programme Document(s), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in the circumstances. The Trustee shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, the Securityholders or any Programme Party for any calculations (or any delay or failure in making any calculation) so made and will not be obliged to make such determination itself.

10.6 **Determination Agent**

(a) Subject as provided in the Conditions and the Determination Agency Agreement, the Issuer shall use all reasonable efforts to procure that there shall at all times be a Determination Agent for so long as any of the Metal Securities are Outstanding. If the Determination Agent resigns or its appointment is terminated for any reason, the Issuer shall use all reasonable efforts to appoint a reputable entity that provides services of a similar type to those required of the Determination Agent under the Relevant Provisions or a leading bank or investment banking firm (acting through its principal London office or any other office actively involved in such market) engaged in the interbank market (or, if appropriate, money, swap, commodity or over-the-counter commodity futures and options or index options market) that the Issuer reasonably determines is capable of making the calculation(s) required to be made by the Determination Agent under the Relevant Provisions to act as such in its place.

(b) The Determination Agent shall not be liable (whether directly or indirectly, in contract, in tort or otherwise) to the Issuer, any Securityholder, any other Programme Party or any other person for any Loss incurred by any such person that arises out of or in connection with the performance by the Determination Agent of its obligations under the Determination Agency Agreement, the Conditions and the other Relevant Provisions provided that nothing shall relieve the Determination Agent from any Loss arising by reason of acts or omissions constituting bad faith, fraud or gross negligence of the Determination Agent (any such act or omission, a "**Determination Agent Breach**").

(i) If the Determination Agent would, but for the operation of this Condition 10.6(b), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from either (i) the failure by any other Programme Party to provide any notice, instruction or direction which such Programme Party is required or permitted to give under the Conditions or any relevant Programme Document or Security Document, or (ii) a delay in the delivery by any other Programme Party of any notice, instruction or direction which such Programme Party is required or permitted to give to the Determination Agent under the Conditions or any relevant Programme Document or Security Document.

(ii) If the Determination Agent would, but for the operation of this Condition 10.6(b), be held liable for any Loss arising as the result of a Determination Agent Breach, the Determination Agent shall nevertheless incur no liability to the Issuer, any Securityholder, any other Programme Party or any other person if such Determination Agent Breach results solely and directly from the reliance by the Determination Agent upon a rate, amount, quotation, value or other calculation or determination notified to the Determination Agent pursuant to the Conditions and/or any relevant Programme Document or Security Document which is made by another Programme Party in accordance with the Conditions and the terms of any relevant Programme Document or Security Document.

(c) The Determination Agent has no obligation towards or relationship of agency or trust with any Securityholder.

(d) The Determination Agent has no duties or responsibilities except those expressly set forth in the Conditions, the Determination Agency Agreement and the other Relevant Provisions and no implied or inferred duties or obligations of any kind will be read into the Determination Agency Agreement against or on the part of the Determination Agent. The Determination Agent will not, and will not be deemed to, assume or be liable for the obligations or duties of the Issuer or any other person under the Conditions, the Trust Deed or any other Programme Document or Security Document unless otherwise agreed pursuant to the Relevant Provisions.

10.7 **Appointment of Agents**

Save as provided below, the Agents act solely as agents of the Issuer. The Agents do not assume any obligation or relationship of agency or trust for or with any Securityholder. The Issuer reserves the right at any time with the prior written approval of the Trustee and in accordance with the provisions of the relevant Administration Agreement, the Determination Agency Agreement, the Issuing and Paying Agent Agreement, the Metal Agent Agreement, any Transfer Agency Agreement and/or any Registrar Agreement, as applicable, to vary or terminate the appointment of the Administrator, the Determination Agent, the Metal Agent, the Issuing and Paying Agent or any Registrar or Transfer Agent and to appoint additional or other Registrars, Transfer Agents, Administrators, Issuing and Paying Agents, Metal Agents or Determination Agents. Without prejudice to the provisions for the automatic termination of the appointment of an Agent in connection with the occurrence of an insolvency or similar event or proceedings in the relevant Programme Documents or Security Documents, the Issuer shall

use reasonable endeavours to at all times maintain (i) an Administrator, (ii) a Metal Agent, (iii) a Determination Agent, (iv) an Issuing and Paying Agent, and (v) such other agents as may be required by any stock exchange on which the Metal Securities may be listed, in each case, as approved by the Trustee. Notice of any change of Agent or any change to the specified office of an Agent shall promptly be given to the Securityholders by the Issuer in accordance with Condition 17 (*Notices*).

Pursuant to the terms of the Trust Deed, at any time after an Event of Default has occurred in relation to the Metal Securities, the Trustee may (i) by notice in writing to the Issuer, the Administrator, the Registrar, the Transfer Agent, the Metal Agent, the Issuing and Paying Agent and/or the Determination Agent, require any and all of such Agents, until notified by the Trustee to the contrary, so far as permitted by applicable law to (a) act as agent of the Trustee under the Trust Deed and the Metal Securities mutatis mutandis on the terms of the Administration Agreement, Registrar Agreement, Transfer Agency Agreement, Metal Agent Agreement, Issuing and Paying Agent Agreement or Determination Agency Agreement, as applicable (with consequential amendments as necessary) and except that the Trustee's liability for the indemnification, remuneration and all other expenses of such Agents (if any) shall be limited to the amounts for the time being held by the Trustee in respect of the Metal Securities on the terms of the Trust Deed and which are available (after application in accordance with the relevant order of priority set out in Condition 6.3 (*Application of proceeds of enforcement of Security*) to discharge such liability); or (b) deliver the Metal Securities and all monies, documents and records held by them in respect of the Metal Securities to or to the order of the Trustee or as the Trustee directs in such notice, and (ii) by notice in writing to the Issuer require it to make all subsequent payments in respect of the Metal Securities to or to the order of the Trustee and not to the Administrator and/or the Registrar (as the case may be) with effect from the receipt of any such notice by the Issuer.

10.8 **Business day convention and non-Payment Business Days**

(a) If any date for payment in respect of any Metal Security is not a Payment Business Day, the holder shall not be entitled to payment until the next following Payment Business Day or to any interest or other sum in respect of such postponed payment.

(b) If any date referred to in the Conditions would otherwise fall on a day that is not a Business Day, then such date shall be postponed to the next day that is a Business Day.

10.9 **Records**

For so long as the Metal Securities are represented by a Global Security in NGN form, the records of the Relevant Clearing Systems (which expression in this Condition 10.9 (*Records*) means the records that each Relevant Clearing System holds for its customers which reflect the amount of such customers' interests in the Metal Securities) shall be conclusive evidence of the number of the Metal Securities represented by the Global Security and, for these purposes, a statement issued by the Relevant Clearing System (which statement shall be made available to the bearer upon request) stating the number of Metal Securities represented by the Global Security at any time shall be conclusive evidence of the records of the Relevant Clearing System at that time.

10.10 **Negotiability of Global Bearer Security**

If the Metal Securities are Bearer Securities represented by a Global Bearer Security, the Global Bearer Security is a bearer document and negotiable and accordingly:

(a) is freely transferable by delivery and such transfer shall operate to confer upon the transferee all rights and benefits appertaining hereto and to bind the transferee with all obligations appertaining hereto pursuant to these Conditions;

(b) the holder of the Global Bearer Security is and shall be absolutely entitled as against all previous holders to receive all amounts by way of amounts payable or deliverable

upon Redemption or otherwise payable or deliverable in respect of the Global Bearer Security and the Issuer waives as against such holder and any previous holder of the Global Bearer Security all rights of set-off or counterclaim that would or might otherwise be available to it in respect of the obligations evidenced by the Global Bearer Security; and

(c) payment upon due presentation of the Global Bearer Security will operate as a good discharge against such holder and all previous holders of the Global Bearer Security.

10.11 **Rounding**

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (i) all amounts of Metal to be delivered to the Issuer shall be rounded up to the nearest 0.001 fine troy ounce in the case of Gold, 0.1 troy ounce in the case of Silver and 0.001 troy ounce in the case of Platinum and Palladium, (ii) all amounts of Metal to be delivered by the Issuer shall be rounded up to the nearest 0.001 fine troy ounce in the case of Gold, 0.1 troy ounce in the case of Silver and 0.001 troy ounce in the case of Platinum and Palladium, (iii) all amounts of cash in the Relevant Currency to be paid to the Issuer shall be rounded up to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), and (iv) all amounts of cash in USD to be paid by the Issuer shall be rounded down to the nearest USD 0.01 (if the Relevant Currency is USD) or as specified in the Final Terms (if the Relevant Currency is not USD), in each case as may be adjusted by the Issuer (or the Determination Agent on its behalf) from time to time, including to reflect changes in rounding conventions in the trading of the relevant Metal or payments in the Relevant Currency.

11 **RESTRICTIONS**

So long as any of the Metal Securities of any Class remain Outstanding, the Issuer shall not, without the prior written consent of the Trustee and HANetf:

(a) engage in any business activities, save that the Issuer may without consent engage in any of the following activities (or any other business activity which relates to or is incidental thereto):

(i) issue, enter into, amend, redeem, exchange or repurchase and cancel or reissue or resell all or some only of the Metal Securities of any Class under the Programme as may be provided in these Conditions and the Trust Deed and the Programme Documents and in connection therewith enter into or amend any Programme Documents or Security Documents accordingly;

(ii) acquire and own rights, property or other assets which are to comprise Secured Property for a Class of Metal Securities issued under the Programme so as to enable it to discharge its obligations under such Class, and any relevant Programme Document or Security Document relating to such Class;

(iii) perform its respective obligations under any Metal Securities issued under the Programme, and any relevant Programme Document or Security Document entered into by it in connection with such Class, and any agreements incidental to the granting of Security relating to any such Class of Metal Securities or incidental to the issue and constitution of any Class of Metal Securities issued under the Programme;

(iv) engage in any activity in relation to the Secured Property or any other Programme Document or Security Document contemplated or permitted by the Conditions or such Programme Document or Security Document relating to any Class of Metal Securities;

(v) subject as provided in the relevant Trust Deed, the applicable Security Deed and in the Conditions relating to any Class of Metal Securities enforce any of its rights

whether under the relevant Trust Deed, the applicable Security Deed, any other Programme Document, Security Document or otherwise under any agreement entered into in relation to any Class of Metal Securities or any Secured Property relating to any such Class;

(vi) issue unsecured debt securities, on the conditions that (i) the proceeds of such debt securities shall be used by the Issuer to disburse loans to the holder(s) of such debt securities; and (ii) the holder of such debt securities shall have no right to enforce the obligations of the Issuer thereunder; and

(vii) perform any other act incidental to or necessary in connection with any of the above (which shall include, without limitation, the appointment of auditors and any other administrative or management functions necessary to maintain the Issuer and/or to keep it operating and/or to comply with any laws, regulations or rules applicable to it);

(b) cause or permit the terms of the Security granted under the Trust Deed or the applicable Security Deed and the order of priority specified in the Conditions, the Trust Deed and the applicable Security Deed, as applicable, to be amended, terminated or discharged (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Class of Metal Securities);

(c) release any party to the relevant Trust Deed, the applicable Security Deed or any other relevant Programme Document or Security Document relating to a Class of Metal Securities from any existing obligations thereunder (other than as contemplated by the relevant Trust Deed, Security Deed, and/or the Conditions relating to such Class of Metal Securities);

(d) have any subsidiaries;

(e) sell, transfer or otherwise dispose of any assets that are the subject of the Security constituted by the Trust Deed or each relevant Security Deed or any other part of the Secured Property in respect of any Class of Metal Securities or Secured Property or any right or interest therein or thereto or create or allow to exist any charge, lien or other encumbrance over such Secured Property (to the extent it relates to the Issuer) except in accordance with the Conditions of the relevant Metal Securities of any such Class, the Metal Agent Agreement, the relevant Trust Deed for any such Class, the applicable Security Deed and any other Programme Document relating to any such Class as may be applicable;

(f) consent to any variation of, or exercise any powers or consent or waiver pursuant to, the terms of any of the Conditions, the relevant Trust Deed, any Security Deed or any other Programme Document or Security Document relating to any Class of Metal Securities (other than as contemplated or permitted by the Conditions and the relevant Programme Documents or Security Documents);

(g) consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entirety to any person (other than as contemplated by the relevant Trust Deed, any Security Deed and the Conditions for any Class of Metal Securities);

(h) have any employees;

(i) issue any shares (other than such shares in the capital of the Issuer as were issued at the time of its incorporation) or make any distribution to its shareholders;

(j) declare any dividends;

(k) open or have any interest in any account with a bank or financial institution unless such account (i) relates to a Class of Metal Securities, a Custody Agreement, any Secured Property relating to a Class of Metal Securities or any party thereto and the Issuer's

interest in such account is simultaneously charged in favour of the Security Trustee, so as to form part of the relevant Secured Property relating to such Class of Metal Securities, or (ii) is opened in connection with the administration and management of the Issuer and only moneys necessary for that purpose are credited to it;

(l) purchase, own, or otherwise acquire any real property (including office premises or like facilities);

(m) guarantee, act as surety for or become obligated for the debts of any other entity or person or enter into any agreement with any other entity or person whereby it agrees to satisfy the obligations of such entity or person or any other entity or person;

(n) acquire any securities or shareholdings whatsoever from its shareholders or enter into any agreements whereby it would be acquiring the obligations and/or liabilities of its shareholders;

(o) except as contemplated by any relevant Programme Document, Security Document, the Conditions relating to a Class of Metal Securities, and/or the agreements contemplated by Condition 11(f) (*Restrictions*) above, advance or lend any of its moneys or assets, including, but not limited to, the rights, property or other assets comprising the Secured Property for any such Class of Metal Securities, to any other entity or person;

(p) subject as provided in paragraph (a) above, incur any other indebtedness for borrowed moneys, other than (subject to Conditions 6 (*Security*) and 16 (*Issue of Further Tranches and Classes of Metal Securities*)) issuing further Metal Securities under the Programme (which may or may not form a single Class with the Metal Securities of any Class and may or may not be guaranteed by a third party) and creating or incurring further obligations relating to such Metal Securities, provided that:

(i) if such further Metal Securities are not to form a single Class with any other Class of Metal Securities, such further Metal Securities and obligations are secured on assets of the Issuer other than (i) the assets which are the subject of the Security constituted by the relevant Trust Deed relating to any other Class of Metal Securities, and (ii) the Issuer's share capital; and

(ii) such further Metal Securities and obligations are secured *pari passu* upon the assets which are the subject of the Security constituted by the relevant Security Document relating to the Class of Metal Securities with which such Metal Securities are to form a single Class, all in accordance with Condition 16 (*Issue of further Tranches and Classes of Metal Securities*) of the relevant Class of Metal Securities,

provided that the Issuer shall not take any action (even where the prior written consent of the Trustee and HANetf is obtained) if such action is, in the opinion of the Issuer, inconsistent with the objects of the Issuer as specified in its memorandum and articles of association.

12 PRESCRIPTION

Claims against the Issuer for payment under the Conditions in respect of the Metal Securities shall be prescribed and become void unless made within 10 years from the date on which the payment of Principal in respect of the Metal Securities first became due or (if any amount of the money payable was improperly withheld or refused) the date on which payment in full of the amount Outstanding was made or (if earlier) the date 7 days after that on which notice is duly given to the Securityholders that, upon further presentation of the Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation (such date the "**Relevant Date**") save that if the Metal Securities are in global bearer form claims in respect of Principal in respect of the relevant

Global Bearer Security shall become void unless the Global Bearer Security is presented for payment within a period of 10 years from the appropriate Relevant Date.

13 ENFORCEMENT

Pursuant to the terms of the Trust Deed, only the Trustee may, at its discretion and without further notice, direct the Security Trustee to take such action or step or institute such proceedings against the Issuer, as it may think fit to enforce the rights of the holders of the Metal Securities against the Issuer whether the same arise under general law, the Trust Deed or the Metal Securities, any other relevant Programme Document or otherwise, but, in each case, it need not take any such action or step or institute proceedings unless, in accordance with the terms of the Trust Deed, the Trustee is so directed by an Extraordinary Resolution or in writing by holders of at least one-fifth in number of the Metal Securities then Outstanding and it shall have been secured and/or pre-funded and/or indemnified to its satisfaction. Each Class of Securityholders shall act independently in directing the Trustee to take such action as set out in this Condition 13 (*Enforcement*), and any action so taken by the Trustee shall relate only to the right of the Securityholders of such applicable Class of Metal Securities.

None of the holders of the Metal Securities shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the Security Deed, fails or is unable to do so within 60 days following such direction and provision of prefunding and/or security and/or indemnity neglects to do so within a reasonable time and such failure is continuing.

None of the Secured Parties shall be entitled to proceed directly against the Issuer unless the Security Trustee, having become bound to proceed in accordance with the terms of the applicable Security Deed, fails or neglects to do so within a reasonable time and such failure is continuing.

The Securityholders acknowledge and agree that only the Security Trustee, may enforce the Security over the Secured Property in accordance with, and subject to the terms of, the Trust Deed and each relevant Security Deed.

The Security Trustee shall not be required to take any action in relation to the Security constituted by any Security Deed which may (i) be illegal or contrary to any applicable law or regulation, or (ii) cause it to expend or risk its own funds or otherwise incur any liability (including any personal liability) in the performance of its duties or in the exercise of any of its rights, powers and discretions, without first being indemnified and/or secured and/or prefunded to its satisfaction.

14 MEETINGS OF SECURITYHOLDERS, MODIFICATION, WAIVER, SUBSTITUTION AND RESTRICTIONS

14.1 Meetings of Securityholders

The Trust Deed contains provisions for convening meetings of the Securityholders to each Class of Metal Securities to consider any matter affecting their interests, including modification by Extraordinary Resolution of the relevant class of Metal Securities (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such Class of Metal Securities).

The quorum at any such meeting for passing an Extraordinary Resolution will be two or more Securityholders of the relevant Class of Metal Securities of the relevant Class of Metal Securities or agents present in person holding or representing in the aggregate more than 50 per cent. of the number of the Metal Securities of such Class for the time being outstanding or, at any adjourned such meeting, two or more Securityholders of the relevant Class of Metal Securities or agents present in person being or representing Securityholders of such Class, whatever the number of the Metal Securities of such class so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, of such class whether present or not, except that any Extraordinary

Resolution proposed, *inter alia*, (i) to amend the dates of maturity or Redemption of the Metal Securities of such Class, (ii) to reduce or cancel the Principal Amount payable on Redemption of, the Metal Securities of such Class, (iii) to change any method of calculating the Net Redemption Sale Proceeds or Metal Entitlement per Security, (iv) to change the currency or currencies of payment or Principal Amount of the Metal Securities, (v) to take any steps which as specified in the Trust Deed may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (vi) to modify the provisions concerning the quorum required at any meeting of Securityholders of such Class or the majority required to pass an Extraordinary Resolution, (vii) to modify the provisions of the Trust Deed concerning this exception, or (viii) to modify any other provisions specifically identified for this purpose in the Trust Deed, or an applicable relevant Security Deed, will only be binding if passed at a meeting of the Securityholders of such Class, the quorum at which shall be two or more Securityholders of the relevant such Class of Metal Securities or agents present in person holding or representing in the aggregate not less than 75 per cent. of the number of Metal Securities of the relevant such Class of Metal Securities for the time being outstanding, or at any adjourned meeting, two or more Securityholders of such Class or agents present in person being or representing in the aggregate not less than 10 per cent. of the number of the Metal Securities of such Class so held or represented (provided that at an adjourned meeting convened for the purpose of reducing the Principal Amount of the Metal Securities following a Threshold Event Date, the quorum shall be two or more Securityholders of the relevant Class of Metal Securities or agents whatever the number of Metal Securities so held or represented). The holder of a Bearer Security or Registered Security in global form representing all of the Metal Securities for the time being outstanding will be treated as being two persons for the purposes of such quorum requirements. A resolution in writing signed by or on behalf of the holders of not less than 75 per cent. of the aggregate number of the Metal Securities of the relevant Class of Metal Securities for the time being outstanding shall for all purposes be as valid and effectual as an Extraordinary Resolution passed at a meeting of Securityholders of such Class.

14.2 **Modification of the relevant Programme Documents and Security Documents**

a) Subject to Condition 14.3(f) (*Substitution*), each of the Trustee and the Security Trustee may agree, without the consent of the Securityholders, to (i) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee or, as applicable, the Security Trustee is a party which is, in the opinion of the Trustee or, as applicable, the Security Trustee, of a formal, minor or technical nature or is made to correct a manifest error or is necessary or desirable for the operational functioning of the Programme, (ii) any modification to these Conditions, the Trust Deed and/or any other Programme Document to which the Trustee or, as applicable, the Security Trustee is a party which is made in connection with the accession of a new Authorised Participant to the Programme (an "**AP Modification**") provided that the Issuer has certified in writing to the Trustee or, as applicable, the Security Trustee that any such modification is (a) in its opinion not materially prejudicial to the interests of any Class of Securityholder, and (b) has been drafted solely for the purposes of an AP Modification upon which certification the Trustee and/or, as applicable, the Security Trustee may rely without any obligation to investigate or verify or form its own opinion, and (iii) any other modification, and any waiver or authorisation of any breach or proposed breach of any of these Conditions or any of the provisions of the Trust Deed and/or any other Programme Document to which the Trustee or, as applicable, the Security Trustee is a party that is in the opinion of the Trustee or, as applicable, the Security Trustee not materially prejudicial to the interests of the Securityholders. Any such modification, authorisation or waiver will be binding on the Securityholders and, if the Trustee or, as applicable, the Security Trustee so requires, such modification will be notified by the Issuer to the Securityholders in accordance with Condition 17 (*Notices*) as soon as reasonably practicable.

b) Without prejudice to 14.2(a)(ii), the Issuer may agree without the consent of the Trustee and the Security Trustee to enter into an Authorised Participant Agreement with a new Authorised Participant.

14.3 **Substitution**

The Trustee may, without the consent of the Securityholders, but subject to the prior consent of each Authorised Participant, agree to the substitution, in place of the Issuer (or of any previous substitute) as the principal debtor under the Trust Deed, the other Programme Documents or Security Documents to which it is a party and the Metal Securities of each Class, of any other company (incorporated in any jurisdiction) (any such substitute company being the "**Substituted Obligor**"),if the following conditions are satisfied:

(a) a deed is executed or undertaking given by the Substituted Obligor to the Trustee, in form and manner satisfactory to the Trustee, agreeing to be bound by the Trust Deed, any Security Deed and the Metal Securities of each Class (with such consequential amendments as the Trustee may deem appropriate) as if the Substituted Obligor had been named in the Trust Deed, each Security Deed and the Metal Securities as the principal debtor in place of the Issuer;

(b) the Substituted Obligor assumes all rights, obligations and liabilities in relation to the Secured Property, acknowledges the Security created in respect thereof pursuant to the Trust Deed and any Security Deed and takes all such action as the Trustee may require so that the Security constitutes a valid charge, pledge or other security interest over the Secured Property as was originally created by the Issuer for the obligations of the Substituted Obligor;

(c) if any director of the Substituted Obligor certifies that it will be solvent immediately after such substitution, the Trustee need not have regard to the Substituted Obligor's financial condition, profits or prospects or compare them with those of the Issuer;

(d) the Trustee will be satisfied (if it requires, by reference to legal opinions) that (a) all necessary governmental and regulatory approvals and consents necessary for or in connection with the assumption by the Substituted Obligor of liability as principal debtor in respect of, and of its obligations under, the Metal Securities of each Class and any Programme Document and Security Document have been obtained and (b) such approvals and consents are at the time of substitution in full force and effect;

(e) the Issuer and the Substituted Obligor will execute and the Issuer shall procure that each relevant Programme Party will execute such other deeds, documents and instruments (if any) as the Trustee may require in order that such substitution is fully effective and comply with such other requirements in the interests of the Securityholders as the Trustee may direct;

(f) in connection with any proposed substitution of the Issuer, the Trustee may, without the consent of the holders of the Metal Securities, agree to a change of the law from time to time governing such Metal Securities and/or the Supplemental Trust Deed and/or the Trust Deed and/or any Security Deed, provided that such change of law, in the opinion of the Trustee, would not be materially prejudicial to the interests of such Securityholders;

(g) the Issuer and the Substituted Obligor comply with such other requirements as the Trustee may direct in the interests of the Securityholders; and

(h) a legal opinion satisfactory to the Trustee is provided concerning any proposed substitution.

An agreement by the Trustee pursuant to this Condition 14.3 (*Substitution*) and the Trust Deed will, if so expressed, release the Issuer (or a previous substitute) from any or all of its obligations under the Trust Deed, the Metal Securities and the other relevant Programme Documents and Security Documents. The Substituted Obligor shall give notice of the substitution to the Securityholders within 14 calendar days of the execution of such documents and compliance with such requirements.

On completion of the formalities set out in this Condition 14.3 (*Substitution*) and the Trust Deed, the Substituted Obligor shall be deemed to be named in these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Metal Securities as the principal debtor in place of the Issuer (or of any previous substitute) and these Conditions, the Trust Deed, the other Programme Documents and Security Documents and the Metal Securities shall be deemed to be amended as necessary to give effect to the substitution.

14.4 **Entitlement of the Trustee and Security Trustee**

In accordance with the terms of the Trust Deed, in connection with the exercise of its functions under the relevant Programme Documents, the Trustee will have regard to the interests of the Securityholders as a Class and will not have regard to the consequences of such exercise for individual Securityholders and the Trustee will not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any Tax consequence of any such exercise upon individual Securityholders.

So long as the Metal Securities are in global form and such Global Security is held by or on behalf of the Relevant Clearing System, in considering the interests of Securityholders, the Trustee may have regard to any information provided to it by the Relevant Clearing System or its operator as to the identity (either individually or by category) of its accountholders or participants with entitlements to any such Global Security and may consider such interests on the basis that such accountholders or participants were the holder(s) thereof.

14.5 **Prohibition on U.S. persons**

Metal Securities may not be legally or beneficially owned by any U.S. person at any time nor offered, sold or delivered within the United States or to U.S. persons. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of the Metal Entitlement per Security prevailing at the time such transfer is voided. Terms used in this Condition 14.5 (*Prohibition on U.S. persons*) have the meanings given to them by Regulation S under the Securities Act.

14.6 **ERISA prohibition**

Metal Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of, (a)(i) an "**Employee Benefit Plan**" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")) that is subject to the fiduciary responsibility requirements of Title I of ERISA, (ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") applies (a "**Plan**"), or (iii) an entity whose constituent assets include "**Plan Assets**" (as determined pursuant to the "**Plan Assets Regulation**" issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or (b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a "**Similar Law**") unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of

the Metal Entitlement per Security prevailing at the time such transfer is voided. Terms used in this Condition 14.6 have the meanings given to them by the Code.

15 REPLACEMENT OF METAL SECURITIES

If a Metal Security in bearer form is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London, or such other Agent as the case may be, as may, from time to time, be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security, indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Metal Security is subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Metal Security) and otherwise as the Issuer may require. Mutilated or defaced Metal Securities must be surrendered before replacements will be issued.

16 ISSUE OF FURTHER TRANCHES AND CLASSES OF METAL SECURITIES

16.1 Further Tranches and Classes

Subject to Condition 6 (*Security*), the Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as the Metal Securities in all respects and so that such further issue shall be consolidated and form a single Class with the Metal Securities or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

Only an Authorised Participant may request that the Issuer issue additional Tranches of the Metal Securities by delivering a valid Subscription Form subject to and in accordance with the terms of the relevant Authorised Participant Agreement.

The Issuer will only accept a Subscription Form and issue Metal Securities if:

(a) a Subscription Form is determined to be valid by or on behalf of the Issuer;

(b) the acceptance of such Subscription Form will not cause the Programme Maximum Number of Metal Securities to be exceeded; and

(c) all conditions precedent to an issue of the Metal Securities (including, without limitation, payment of the Subscription Fee) are satisfied.

In any event, the Issuer is entitled to reject any Subscription Form at any time, at its absolute discretion.

Without prejudice to Condition 9 (*Disruption Events*), the Issuer may suspend the issuance of further Metal Securities at any time. If a Subscription Suspension Event occurs, the Issuer shall not accept any Subscription Forms for the Metal Securities with effect from the date of suspension specified in the relevant notice to the Determination Agent and the Authorised Participants until such time (if any) as the Issuer notifies such Programme Parties that it shall recommence the issue of further Tranches of the Metal Securities. The effective date of any such suspension will be specified in the related notice and will be a day not earlier than the Business Day following the date of such notice. The Issuer shall give notice to Securityholders in accordance with Condition 17 (*Notices*) of any such suspension as soon as reasonably practicable after giving any notice of suspension of subscriptions.

In relation to any Subscription Form which has been accepted by or on behalf of the Issuer but in respect of which the Subscription Settlement Date has not yet occurred as at the date

of the occurrence of an Event of Default, each such Subscription Form shall automatically be cancelled with effect from the date of the occurrence of such Event of Default.

In relation to any Subscription Form which is valid but in respect of which the Metal Securities are pending issue and settlement to the relevant Authorised Participant as at the Compulsory Redemption Date or the date of delivery of an Event of Default Redemption Notice (due to the Subscription Settlement Date not having occurred at such date, the relevant Authorised Participant not having delivered in full the relevant Subscription Amount on a Subscription Settlement Date falling prior to such date, or otherwise), any such Subscription Form shall automatically be cancelled with effect from such Compulsory Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable).

If at any time after the occurrence of the Subscription Settlement Date in respect of which the relevant Authorised Participant has not delivered the related Subscription Amount a Compulsory Redemption Event occurs or an Event of Default Redemption Notice is delivered, the Metal Securities issued on any such Subscription Settlement Date which are pending settlement to the relevant Authorised Participant shall automatically be cancelled with effect from the date of the occurrence of such Compulsory Redemption Date or date of delivery of an Event of Default Redemption Notice (as applicable). Metal Securities requested for issue and Subscribed for by an Authorised Participant may be held on an inventory basis by such Authorised Participant and offered for sale and/or sold over a period of time.

Any new securities forming a single Class with the Metal Securities and which are expressed to be constituted by the Trust Deed and secured by the Security Deed relating to such Class will, upon the issue thereof by the Issuer, be constituted by the Trust Deed and secured by the Security Deed without any further formality and irrespective of whether or not the issue of such securities contravenes any covenant or other restriction in the Trust Deed or the Programme Maximum Number of Metal Securities and shall be secured by the Secured Property (as increased and/or supplemented in connection with such issue of such new securities) and references in these Conditions to "**Secured Parties**", "**Secured Property**", "**Secured Liabilities**" and "**Metal Securities**" shall be construed accordingly.

16.2 **Consolidation and division of Tranches and Classes**

The Issuer may consolidate or divide all of the Metal Securities into Metal Securities of the same Class but with a proportionately larger or smaller Principal Amount and Metal Entitlement (if applicable). Such consolidation or division shall be effected by deed or instrument supplemental to the Trust Deed.

Whenever as a result of consolidation of Metal Securities a Securityholder would become entitled to a fraction of a Metal Security the Issuer will Redeem such fractional Metal Security.

17 **NOTICES**

17.1 All notices to holders of Metal Securities shall be valid if:

(a) they are published on the website of one or more RIS(s) approved for such purposes by the applicable Relevant Stock Exchange(s) and any such notices shall be conclusively presumed to have been received by the holders; or

(b) for so long as the Metal Securities are listed on any Relevant Stock Exchange, they are published in accordance with the rules and regulations of such Relevant Stock Exchange or other relevant authority; or

(c) for so long as the Metal Securities are in global form, notices required to be given in respect of the Metal Securities represented by a Global Security are given by their being delivered (so long as the Global Security is held on behalf of a Relevant Clearing System) to the Relevant Clearing System, or otherwise to the holder of the Global Security, rather than by publication as required above. Any such notice shall be deemed to have been given to the holders of the Metal Securities on the Payment Business Day

immediately following the day on which the notice was given to the Relevant Clearing System.

Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above.

18 RELEVANT CLEARING SYSTEM

None of the Issuer, the Trustee or the Agents will have any responsibility for the performance by the Relevant Clearing System (or its participants or indirect participants) of any of their respective obligations under the rules and procedures governing their operations.

19 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Metal Securities under the Contracts (Rights of Third Parties) Act 1999 but that does not affect any right or remedy of a third party that exists or is available apart from that Act.

20 GOVERNING LAW AND JURISDICTION

20.1 Governing law

The Trust Deed, each relevant Security Deed and the Metal Securities (including any Global Security), and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.

20.2 Jurisdiction

The courts of England are to have non-exclusive jurisdiction to settle any disputes that may arise out of or in connection with any Metal Securities and, accordingly, any legal action or proceedings arising out of or in connection with any Metal Securities ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such courts and waives any objections to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is for the benefit of each of the Trustee and the Securityholders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

21 SERVICE OF PROCESS

The Issuer irrevocably appoints HAN ETF Limited of City Tower, 40 Basinghall Street, London, England, EC2V 5DE as its process agent to receive, for it and on its behalf, service of process in any Proceedings in England. Service of process on such process agent shall be deemed valid service upon the Issuer whether or not it is forwarded to and received by the Issuer. The Issuer shall inform the Trustee in writing of any change in its process agent's address within 28 calendar days of such change. If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent in England reasonably acceptable to the Trustee and to deliver to it a copy of the substitute process agent's written acceptance of that appointment, within 14 calendar days. The Issuer: (a) agrees to procure that so long as any of the Metal Securities remain liable to prescription, there shall be in force an appointment of such person approved by the Trustee with an office in London with authority to accept service as aforesaid, and (b) agrees that nothing in the Conditions or the Trust Deed shall affect the right to serve process in any other manner permitted by law.

SECTION 12 – TAX

A. General

12.1 The following is a general discussion of the anticipated United Kingdom and Irish withholding tax treatment of payments on Metal Securities. This section is limited to the jurisdiction of incorporation of the Issuer, the United Kingdom, Germany and Italy. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Metal Securities.

12.2 Prospective investors should be aware that the acquisition, holding, transfer or disposal of the Metal Securities, and/or receipt of payments under Metal Securities may result in tax consequences to any investor, which may arise in, but are not limited to, the jurisdiction of the Issuer or the jurisdiction of residence, domicile, citizenship or incorporation of the relevant investor. Prospective investors should consult their own professional advisers concerning such possible tax consequences.

12.3 The following statements are by way of a general guide to potential investors only and do not constitute legal or tax advice. Potential investors are therefore advised to consult their professional advisers concerning the income and other possible taxation consequences of purchasing, holding, selling or otherwise disposing of the Metal Securities under the laws of their jurisdiction.

12.4 Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Issuer regarding the law and practice in force in the relevant jurisdiction at the Prospectus Date and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in Metal Securities is made will endure indefinitely.

B. Taxation - United Kingdom

12.5 This section summarises certain limited aspects of the UK tax treatment of holding Metal Securities. They are based on current UK law and HM Revenue & Customs practice, both of which are subject to change, possibly with retrospective effect. Unless otherwise stated, this summary relates solely to Securityholders (i) who are individuals acting in a private capacity and domiciled and resident in the UK for tax purposes, (ii) which are within the charge to UK corporation tax and holding Metal Securities as an investment or (iii) which are UK open-ended investment companies or authorised unit trust schemes. The statements in this summary are intended only as a general guide, and they should be treated with appropriate caution. Any person who is contemplating acquiring Metal Securities (whether or not pursuant to the Programme) is strongly recommended to consult their independent professional adviser immediately.

The Issuer

12.6 The Directors intend that the affairs of the Issuer should be managed and conducted so that it should not become resident in the UK for UK tax purposes. Accordingly, and provided that the Issuer does not carry on a trade in the UK through a permanent establishment situated therein for UK corporation tax purposes or through a branch or agency situated in the UK which would bring the Issuer within the charge to UK income tax, the Issuer will not be subject to UK corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Issuer are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Withholding tax

12.7 Any payments made by the Issuer to Securityholders will not be interest, annual payments, or royalties and so the requirement to withhold does not arise. Consequently, no payments made by the Issuer to Securityholders in respect of Metal Securities should be required to be made under deduction or withholding for or on account of UK tax.

Capital gains tax (***for individual Securityholders***)

12.8 Provided that the Metal Securities are not treated as "deeply discounted securities" for UK tax purposes, any transfer or redemption of a Metal Security by a Securityholder who is a UK individual will be a disposal of that Metal Security for UK capital gains tax purposes which may, subject to any available exemption or relief, give rise to a chargeable gain or allowable loss for those purposes.

12.9 Based on HMRC practice, the Issuer has grounds to believe that the Metal Securities should be treated as "deeply discounted securities" for UK tax purposes, however investors should obtain their own tax advice in relation to this.

12.10 The Issuer intends to apply to HM Revenue & Customs for certification as a "reporting fund" with effect for its first accounting period. While it is expected that certification as a "reporting fund" will be obtained and maintained for all accounting periods, this cannot be guaranteed.

12.11 Note that, under the reporting fund rules, the Issuer is required to report to Securityholders all of the net income attributable to the Metal Securities. However, it is not expected that any such reportable income will arise in respect of the Metal Securities.

12.12 A copy of the annual report required to be made to Securityholders under the reporting fund rules will be provided by the Issuer on the following website: www.hanetf.com/royalmint.

12.13 If the Metal Securities are not treated as deeply discounted securities for UK tax purposes (otherwise than by relying on the exemption for "excluded indexed securities"), any gains accruing to a Securityholder upon the sale, redemption or other

disposal of Metal Securities will be taxed as income and not as a capital gain, unless the Issuer achieves certification as a "reporting fund". The Issuer is considering whether to seek that certification. Certification would require the Issuer to report to Securityholders all of the net income attributable to the Metal Securities, but it is not expected that any such reportable income will arise in respect of the Metal Securities.

12.14 Note that, under the reporting fund rules, the Issuer is required to report to Securityholders all of the net income attributable to the Metal Securities. However, it is not expected that any such reportable income will arise in respect of the Metal Securities.

12.15 A copy of the annual report required to be made to Securityholders under the reporting fund rules will be made available on the Issuer's Website.

Income tax (***for individual Securityholders***)

12.16 If the Metal Securities are treated as "deeply discounted securities" for UK tax purposes, any profit arising to an individual Securityholder on transfer or redemption of a Metal Security will be subject to income tax and not to capital gains tax.

Corporation tax

12.17 In general, a Securityholder which is subject to UK corporation tax will be treated for tax purposes as realising profits, gains or losses in respect of Metal Securities on a basis reflecting the treatment in its statutory accounts, in accordance with generally accepted accounting practice. These profits, gains or losses (which will include any profits, gains or losses on a disposal or redemption of Metal Securities and which may include fluctuations in value relating to foreign exchange gains and losses) will be treated as income profits or losses for the purposes of a Securityholder's corporation tax computation.

UK open-ended investment companies and authorised unit trust schemes

12.18 Although UK open-ended investment companies and authorised unit trust schemes are generally subject to UK corporation tax (currently at the basic income tax rate of 20 per cent.), they are exempt from tax on capital gains. Part 2 of The Authorised Investment Funds (Tax) Regulations 2006 (S.I. No. 2006/964) provides an exemption for capital profits, gains or losses accruing to UK open-ended investment companies and authorised unit trust schemes (other than qualified investor schemes which do not meet the genuine diversity of ownership condition) on creditor loan relationships and derivative contracts. In this respect, capital profits, gains or losses are those which, in accordance with UK generally accepted accounting practice, fall to be dealt with in the statement of total return (under the heading of "net capital gains/losses") in accordance with the relevant Statement of Recommended Practice. In addition, Part 2B of those Regulations treats all capital profits, gains and losses (determined in accordance with UK generally accepted accounting practice, as described above) arising to a UK open-ended investment company or authorised unit trust, which meets the genuine diversity of ownership condition, from an "investment transaction" (which includes loan relationships and derivative contracts) as a non-trading transaction and thus not taxable as income. These Parts of the Regulations will determine whether

any profits, gains or losses arising to a Securityholder which is a UK open-ended investment company or authorised unit trust scheme (other than a qualified investor scheme which does not meet the genuine diversity of ownership condition) in respect of Metal Securities will be exempt from tax.

Stamp duty and stamp duty reserve tax (***SDRT***)

12.19 Provided that the Register is not kept by or on behalf of the Issuer in the UK, neither stamp duty nor SDRT will be payable on the issue or the subsequent transfer of, or agreement to transfer, Metal Securities in Uncertificated Form.

12.20 In the case of Metal Securities held in Certificated Form, provided that (i) the Register is not kept by or on behalf of the Issuer in the UK; (ii) any instrument of transfer is not executed in the UK; and (iii) any instrument of transfer does not relate to any property situated or to any matter or thing done or to be done in the UK, neither stamp duty nor SDRT will be payable on the issue or subsequent transfer of Metal Securities.

12.21 The Redemption of Metal Securities will not give rise to stamp duty or SDRT.

Inheritance tax (***for individual Securityholders***)

12.22 For the purposes of inheritance tax, a Metal Security may form part of the value of the estate of a Securityholder who is an individual and inheritance tax may (subject to certain exemptions and reliefs) become payable in respect of the value of a Metal Security on a gift of that Metal Security by, or on the death of, a Securityholder who is an individual. Such a tax charge may be subject to appropriate provisions in any applicable double taxation treaty.

Organisation for Economic Co-operation and Development ("***OECD***") ***Common Reporting Standard and the Directive on Administrative Co-operation***

12.23 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institutions are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

12.24 The Directive on Administrative Co-operation ("**DAC**") provides a similar regime for automatic exchange of information within the EU. Ireland has implemented both the CRS and the DAC. As a result, the Issuer is required to comply with the CRS/DAC due diligence and reporting requirements, as adopted by Ireland.

12.25 Securityholders may be required to provide additional information to the Issuer to enable the Issuer to satisfy its obligations under the CRS/DAC. Failure to provide

requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory redemption of Metal Securities.

C. Taxation – Ireland

12.26 The following is a summary of certain Irish tax consequences of the purchase, ownership and disposition of the Metal Securities. The summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Metal Securities. The summary relates only to the position of persons who are the absolute beneficial owners of the notes and may not apply to certain other classes of persons such as dealers in securities.

12.27 The summary is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Metal Securities should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Metal Securities including, in particular, the effect of any state or local tax laws.

Withholding taxes

12.28 It is not anticipated that the Issuer will make payments in respect of the Metal Securities before their stated maturity date and, as a result, Irish withholding tax should not be a consideration before that time.

12.29 It is anticipated that the Issuer should not be required to deduct any amounts for or on account of Irish tax from any payment made on Redemption of the Metal Securities provided that payments are once-off in nature, are paid by or through a paying agent that is not in Ireland, or are held through a clearing system, and the Metal Securities are quoted on a recognised stock exchange on the payment date.

D. Taxation – Germany

12.30 The following is a brief summary of some important principles of German tax law that may be of relevance for Securityholders acquiring, redeeming, holding or selling Metal Securities. The summary does not fully cover all aspects of German tax law that may be of relevance to Metal Securities. The summary is based on German tax law as of the date of this Prospectus. It should also be noted that the taxation of Securityholders may change at any time as a result of new legislation, court practice or decrees issued by the relevant taxation authorities, potentially with retroactive effect.

12.31 **German Securityholders interested in acquiring the Metal Securities should consult their tax advisors with regard to any tax consequences that may be involved in acquiring, redeeming, holding, selling or otherwise transferring the Metal Securities. Only a tax advisor is able to adequately assess the individual tax situation of a specific investor.**

Tax Residents

12.32 Natural and legal persons who are resident, have their habitual abode, have their statutory seat or principal place of management in Germany are subject to resident taxation in Germany (*unbeschränkte Steuerpflicht*).

No Current Income

12.33 There will be no current income in the form of interest or similar payments under the Metal Securities.

Taxation of capital gains derived from the disposition of Metal Securities or from the redemption of Metal Securities held as personal assets

12.34 Private individuals who are tax resident in Germany and who hold the Metal Securities as personal assets (*Privatvermögen*) are subject to German personal income tax (*Einkommensteuer*) with regard to income derived from the Metal Securities as follows:

12.35 On 12 May 2015 the German Federal Fiscal Court (*Bundesfinanzhof*, "**BFH**") rendered decisions (VIII R 35/14, BStBl. II 2015, p. 834; VIII R 4/15, BStBl. II 2015, p. 835; VIII R 19/14, BFH/NV 2015, p. 1559) stating that the disposition or redemption of Metal Securities which represent a claim to receive precious metals (including gold, i.e. the Metal Entitlement) is not subject to the German flat tax regime for investment income (*Abgeltungssteuer*). These decisions of the 8. Chamber (*Senat*) of the BFH were confirmed by a subsequent decision of the 9. Chamber on 6. February 2018 (IX R 33/17, BFH / NV 2018, p. 574).

12.36 The BFH has expressly stipulated that this qualification is not jeopardized if in particular situations – e.g. in case of regulatory restrictions for the acquisition of precious metals – only a claim for repayment of money is available.

12.37 The BFH also mentions that it is not relevant whether or not the notes are traded on a regulated stock exchange or whether they are privately traded.

12.38 The tax administration has endorsed this position in the general decree on the application of the flat tax on investment income (*Abgeltungssteuer*) (decree of the Federal Ministry of Finance (*Bundesfinanzministerium*, "**BMF**") of 16. January 2016, IV C 1 – S 2252/08/100004:017), BStBl. I 2016, p. 85 ss, as amended by decree of 10. May 2019, IV C 1 – S 2252/08/100004 :21, BStBl. I 2019. P. 464, the "**Decree**"). According to the Decree the Metal Entitlement would only qualify as a regular claim for repayment of a certain amount of money (*Kapitalforderung*), which would be subject to the flat tax on investment income (*Abgeltungssteuer*), provided that these claims are not covered by gold or if the terms and conditions of such Metal Securities provide that the Issuer can either settle the claim by delivery of gold or by payment of a certain amount of money.

Income

12.39 The sale of the Metal Securities in general qualifies as a taxable event for the investor in case such sale of the Metal Securities occurs within 12 months after their purchase, sec. 23 para. 1 sent. 1 nr 2 sent. 1 EStG (so-called *privates Veräußerungsgeschäft*). If a Securityholder has purchased more than one Metal Security at different dates, the Metal Security first purchased will be deemed to be first sold. A sale after the end of the 12-month holding period will not be a taxable transaction and profits therefore will be tax free, but losses are not tax-deductible against other sources of income.

12.40 According to the case law of the BFH, the delivery of gold in case of redemption of the Metal Securities does not qualify as a taxable disposition of the Metal Securities (dec. of 6. February 2018, IX R 33/17, BFH/NV 2018, p. 578). The BFH takes the view that a disposition within the meaning of sec. 23 EStG requires the transfer of an asset for consideration. In case of the redemption, according to the view of the BFH, there is no such transfer for consideration because the investor only receives gold already attributed to him under the terms and conditions of the Metal Securities. Commercially the Securityholder is in the same position as before the redemption. A taxation of any appreciation of the gold would thus not be justified. It is important to note that the German tax administration has not yet endorsed this particular decision and that it is arguable whether it will follow the BFH in this respect. Hence, there is a risk that the tax administration might treat the redemption as a taxable event if it occurs within the 12 months holding period after the acquisition of the Metal Securities.

12.41 Should the sale of the Metal Securities qualify as a taxable event because it occurs within the 12 months holding period the taxable income (profit or loss) corresponds to the difference between the sales proceeds and acquisition cost. Should the tax administration not follow the BFH decision of 6. February 2018, then in the case of a redemption during the holding period the taxable income would be determined as the difference between the fair value of the precious metal at the time of redemption and the acquisition cost.

12.42 A profit arising during the holding period will not be taxed if – after off-setting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed 600 Euro. Losses from transactions falling under sec. 23 EStG can only be off-set against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of losses exceeding that threshold to previous years can be achieved.

Sale of physical gold after delivery

12.43 In case of delivery of physical gold the profit derived from a subsequent sale of gold generally is subject to personal income tax at ordinary rates (up to 45% plus solidarity surcharge of 5.5% thereon and church tax if applicable) provided the gold is sold within twelve months after the purchase of the Metal Securities. Taking into account the case law of the BFH (in particular dec. of 6. February 2018), the gold may be considered to be acquired at the time the Securityholder acquired the Metal Securities rather than on the subsequent date of the actual delivery of the gold. However, it

needs to be noted that there currently is no published guidance of the tax administration or case law on this particular point. The decision of 6 February 2018 does not make an explicit statement about this specific issue. The sale of gold on a date after the twelve months holding period expired is not a taxable transaction.

12.44 A profit arising during the holding period will not be taxed if – after off-setting with profits or losses from other transactions falling under sec. 23 EStG – it does not exceed 600 Euro. Losses from transactions falling under sec. 23 EStG can only be off-set against profits resulting from other transactions falling under this provision in the same calendar year. Under certain conditions a carry back of excess losses that threshold to previous years can be achieved.

Withholding Tax

12.45 Proceeds resulting from transactions falling under sec. 23 EStG are not subject to withholding tax.

Tax Assessment

12.46 Taxable profits resulting from transactions falling under sec. 23 EStG need to be reported by the investor in his personal tax return. The applicable tax rate is determined according to the progressive income tax schedule which reaches 45% in the highest bracket (plus 5.5% solidarity surcharge thereon and, if applicable church tax).

Taxation of capital gains derived from the sale of Metal Securities or from the redemption of Metal Securities held as business assets

12.47 In case of tax resident Securityholders (private individuals and legal persons) which hold the Metal Securities as business assets (*Betriebsvermögen*) any capital gain will be subject to personal income tax (up to 45% plus solidarity surcharge of 5.5% thereon and, church tax if applicable) or corporate income tax at a rate of 15% (plus solidarity surcharge of 5.5% thereon) irrespective of any holding period. In addition, trade tax (*Gewerbesteuer*) might be levied. The trade tax rate depends on a local multiplier which is assessed by the competent municipality.

12.48 The same applies in case of delivery of physical gold upon redemption of the Metal Securities.

Non-resident Taxation

12.49 Profits derived by a non-resident Securityholder from the disposition of the Metal Securities, from the redemption of the Metal Securities or from the disposition of the physical gold will not be taxed in Germany unless (i) the Metal Securities or the physical gold belong to the assets of a permanent establishment (including a permanent representative) or another fixed place of business maintained by the non-resident Securityholder in Germany or (ii) the income can be attributed to other German sourced income (e.g. rent income derived from domestic property).

12.50 Should a non-resident Securityholder be subject to German taxation the same principles applicable to tax resident Securityholders would apply.

Gift or inheritance tax

12.51 A transfer of the Metal Securities by way of gift or on death will be subject to German inheritance or gift tax if the Securityholder, or its heir, donee or other beneficiary, is a German resident for German gift or inheritance tax purposes according to the specific rules of the German Gift and Inheritance Tax Act (*Erbschaftsteuergesetz*). This may in particular be the case if the Securityholder, heir, donee or other beneficiary is:

(a) an individual having at the time of the donation or death his or her residence or habitual abode in Germany or if the individual is a German citizen who has not been living abroad for more than 5 years without having a residence in Germany; or

(b) a corporation having its seat or central place of management in Germany; or

(c) the Metal Securities constitute business assets attributable to a permanent establishment or a permanent representative in Germany.

Other taxes

12.52 No stamp, issue, registration or similar direct or indirect taxes or duties will be payable in Germany in connection with the issue, delivery or execution of the Metal Securities, the Global Bearer Certificates or any interest therein. No net asset tax is currently levied in Germany.

12.53 There is in particular no German Value Added Tax (*Umsatzsteuer*, "**VAT**") payable when Securityholders acquire or sell Metal Securities, as the purchase of investment gold (*Anlagegold*) also in the form of certificates which represent legal title or a contractual claim to investment gold is free of VAT. The physical delivery of gold to German Securityholders following the Redemption Date is free of German VAT if the Issuer delivers investment gold in the form of a bar or a wafer of weights accepted by the bullion markets and of purity equal or greater than 995 thousandths.

OECD Common Reporting Standard

12.54 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions and automatically exchange with exchange partners on an annual basis financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges are expected to begin in 2017.

12.55 Germany has enacted a law implementing the CRS, which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

12.56 In the event that Securityholders hold the Metal Securities through a German financial institution (as meant in the German implementation of the CRS), Securityholders may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the German implementation of the CRS.

E. Taxation – Italy

General

12.57 The information set out below is a summary of certain limited aspects of the Italian tax consequences of the acquisition, ownership and disposition of Metal Securities and it does not purport to be a comprehensive description of all the tax issues that may be relevant to a decision to purchase Metal Securities. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Italy. This summary is based on the tax laws of Italy as in effect on the date of this Prospectus, as well as regulations, rulings and decisions of its taxing and other authorities available on or before such date and now in effect. All of the foregoing is subject to change, which change could apply retroactively and could affect the continued validity of this summary. Because it is a general summary, holders of Metal Securities should consult their own tax advisers as to the Italian or other tax consequences of the purchase, holding and disposition of Metal Securities including, in particular, the application to their specific situations of the tax aspects discussed below, as well as the application of state, local, EU, foreign or other tax laws. This summary assumes that the Issuer is not a tax resident nor deemed to be a tax resident of Italy according to Article 73(3) of Presidential Decree No. 917 of 22 December 1986 (Testo Unico delle Imposte sui Redditi) ("**TUIR**") and that the Issuer does not have (and will not have at any time) a permanent establishment in Italy as defined under Article 162 of TUIR.

12.58 The Metal Securities may be subject to different tax regimes depending on whether they represent for the purposes of Italian tax law:

(a) derivative financial instruments (or bundles of derivative financial instruments), through which the Securityholders purchase indirectly underlying assets;

(b) debt instruments implying a "use of capital" (impiego di capitale), through which the Securityholders transfer to the Issuer a certain amount of capital, for the economic exploitation of the same, subject to the right to obtain a (partial or entire) reimbursement of such amount at maturity.

Tax on income and capital gains

12.59 To the extent the Metal Securities qualify broadly as derivative instruments for the purposes of Italian tax law, which they are expected to do, then the following consequences apply to a Securityholder in respect of the net cash proceeds received

from a redemption or sale of the Metal Securities over the sum paid by such a holder on their subscription or purchase.

(a) *Italian resident corporations or similar commercial entities, Italian individuals engaged in entrepreneurial activities to which the Metal Securities are effectively connected, permanent establishments in Italy non-Italian resident to which the Metal Securities are effectively connected* (*detenzione collegata all'esercizio dell'impresa*) - proceeds from the sale or redemption of the Metal Securities received by a holder which is (a) an Italian resident corporation or similar commercial entity, (b) an Italian individual engaged in entrepreneurial activities to which the Metal Securities are effectively connected (*detenzione collegata all'esercizio dell'impresa*), or (c) a permanent establishment in Italy of a non-Italian resident to which the Metal Securities are effectively connected, as well as unrealised gains reported in the statutory financial statement, may have to be included in the relevant holder's taxable income subject to corporate income tax (*IRES*, currently applicable at a rate of 24 per cent.) or to personal income taxation (as business income), as the case may be, according to the ordinary rules. In certain cases, depending on the status of the holder, proceeds from the sale or redemption of the Metal Securities may also have to be included in its taxable base for regional income tax on productive activities, (*IRAP*, currently applicable at a rate of 3.9 per cent. *IRAP* rate may be increased in certain Italian regions; *IRAP* rate has also been increased to 4.65 per cent. and 5.9 per cent. by Article 23(5) of Law Decree no. 98 of 6 July 2011 for the categories of companies indicated, respectively, under Article 6 and Article 7 of Legislative Decree no. 446 of 15 December 1997);

(b) *Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected, certain non commercial entities* (*detenzione non collegata all'esercizio dell'impresa*) - according to Article 5 of Legislative Decree no. 461 of 21 November 1997, capital gains realised by Italian resident individuals, not engaged in entrepreneurial activities entities (*detenzione non collegata all'esercizio dell'impresa*) to which the Metal Securities are effectively connected, and by certain other non commercial entities upon the sale for consideration or redemption of the Metal Securities are subject to a substitute tax (i*mposta sostitutiva*) currently at the rate of 26 per cent. Under the tax return regime (*regime della dichiarazione*), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in an entrepreneurial activity, *imposta sostitutiva* on capital gains is applicable, on a cumulative basis, on all capital gains, net of any incurred capital loss, realised in a fiscal year pursuant to all disposals of Metal Securities and other financial instruments triggering a capital gain or loss that is subject to the same tax regime, carried out during any given fiscal year. These individuals and non commercial entities must report the overall capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual income tax return to be filed with the Italian tax authorities for such year and pay *imposta sostitutiva* on such gains.

Capital losses in excess of capital gains may be carried forward against capital gains realised in any of the four succeeding tax years;

(c) as an alternative to the tax return regime, according to Article 6 of Legislative Decree no. 461 of 21 November 1997, Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected and certain other non commercial entities may elect to pay the *imposta sostitutiva* separately on the capital gains realised upon each sale or redemption of the Metal Securities (under a so called "*Risparmio Amministrato*" regime, which is managed through the provision of non discretionary asset management services to a taxpayer). Such a separate taxation of each capital gain is allowed subject to: (a) the Metal Securities being deposited with an Italian bank, a Society di I*ntermediazione Mobiliare* (SIM) or with one of certain other authorised financial intermediaries, (b) each relevant capital gain being realised through such intermediary, and (c) an express election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Metal Security holder. The financial intermediary, on the basis of the information provided by the taxpayer, accounts for *imposta sostitutiva* in respect of capital gains realised on each sale or redemption of Metal Securities (as well as in respect of capital gains realised at revocation of its mandate and upon other specific circumstances which are deemed to trigger an assignment under this regime), net of any incurred capital loss, and is required to pay the relevant amount of tax to the Italian fiscal authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Metal Securities holder. Under the *Risparmio Amministrato* regime, where a sale or redemption of Metal Securities results in a capital loss, such loss may be used to reduce the subsequent capital gains realised in the same tax year and up to the following fourth. All gains that have been subject to the *Risparmio Amministrato* regime do not have to be included in the yearly income tax return of the holder of Metal Securities;

(d) also as an alternative to the tax return regime, according to Article 7 of Legislative Decree no. 461 of 21 November 1997, the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected, and by certain other non commercial entities, who have elected for the so called *Risparmio Gestito* regime (namely, a regime managed by an authorised intermediary providing discretionary management services), will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end which is subject to a 26 per cent. *imposta sostitutiva*, applied directly by the authorised asset manager. Under the *Risparmio Gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward and deducted against future increase in value of the managed assets in the four succeeding years. All gains that have been subject to the *Risparmio Gestito* regime do not have to be included in the yearly income tax return of the holder of Metal Securities;

(e) subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of the Metal Securities realized upon sale, transfer or redemption by Italian resident individuals not engaged in entrepreneurial activities to which the Metal Securities are effectively connected may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Metal Securities are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1 (paragraphs 100 – 114) of Law no. 232 of 2016 and to Article 1 (paragraphs 211 – 215) of Law no. 145 of 2019;

(f) *holding of Metal Securities by Italian resident collective investment schemes* - the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident collective investment schemes, which are different from real estate investment funds, and hedge funds are not subject to taxation at the fund's level;

(g) *holding of Metal Securities by Italian pension funds* - the increase or decrease in the fair market value of the Metal Securities, as well as the gains or losses realised upon the sale for consideration or redemption of the same securities by Italian resident pension funds (subject to the regime provided for by Articles 14, 14-*ter* and 14-*quater*, paragraph 1, of Legislative Decree 21 April 1993, no. 124 as further substituted by Legislative Decree no. 252 of 5 December 2005) are included in the determination of the yearly NAV accrued appreciation or depreciation of the assets under management that is subject to a substitute tax (*imposta sostitutiva*) currently at a rate of 20 per cent.;

(h) *Non-Italian resident Securityholders without a permanent establishment in Italy* - non-Italian resident Securityholders without a permanent establishment in Italy to which the Metal Securities are effectively connected are not subject to income tax in Italy on the proceeds realised on the sale of the Metal Securities, provided that:

(i) the Metal Securities have not been deposited in Italy; or

(ii) the Metal Securities have been deposited in Italy and are traded on a regulated market; or

(iii) the Metal Securities have been deposited in Italy but are not traded on a regulated market and the beneficial owner of the proceeds from the Metal Securities: (i) complies with certain filing requirements; and (ii) is a resident of a country which is included in the list of jurisdictions allowing exchange of information with the Italian tax authorities as provided under the relevant list which is contained in a specific Ministerial Decree and in the following periodical updating.

***Income from capital deriving from* "*atypical securities*" (*titoli atipici*)**

12.60 The tax treatment of the Metal Securities as derivative instruments described in section 12.59 above has been confirmed by the Italian tax authorities decision No. 72/E of 12 July 2010 dealing with the Italian tax treatment of investment in secured exchange commodities.

12.61 Nevertheless, should the Italian tax authority and/or tax courts take the view that, regardless of the previous position taken by the Italian tax authority in its decision No. 72/E, the Metal Securities are to be classified as debt instruments implying a "use of capital" (*impiego di capitale*) representing so-called "atypical securities" (*titoli atipici*) pursuant to Article 8 of Law Decree no. 512 of 30 September 1983 (as subsequently amended), a different tax treatment would apply. In particular, interest and other proceeds deriving from "atypical securities" issued by non-Italian resident issuers are subject to a 26 per cent. withholding tax applied by the Italian resident intermediary intervening in the payment.

12.62 Otherwise, if the Metal Securities are held abroad or no Italian intermediaries intervene in the collection of the related proceeds, redemption or negotiation of the Metal Securities, the 26 per cent final withholding tax is paid directly by the taxpayer and the proceeds are required to be reported on the annual tax return.

12.63 The 26 per cent. withholding does not apply to proceeds realized by (a) a non-Italian tax resident holder of the Metal Securities; and (b) to an Italian tax resident holder of the Metal Securities which is (i) a company or similar commercial entity (including the Italian permanent establishment of foreign entities), (ii) a commercial partnership, or (iii) a commercial private or public institution. In this case, proceeds realized by Italian tax resident investors are included in the relevant income tax return (and, in certain circumstances, depending on the status of the Unitholders, also to Italian regional tax on business activities) and are therefore subject to Italian corporate income tax in the same terms as described under section 12.59 (i) above.

Inheritance and gift taxes

12.64 Law no. 286 of 24 November 2006, which has converted into law, with amendments, Law Decree no. 262 of 3 October 2006, has introduced inheritance and gift tax to be paid at the transfer of assets (such as the Metal Securities) and rights by reason of death or gift.

12.65 As regards the inheritance and gift tax to be paid at the transfer of the Metal Securities by reason of death or gift, the following rates apply:

(a) transfers in favour of spouses and direct descendants or direct relatives are subject to an inheritance and gift tax of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 for each beneficiary;

(b) transfers in favour of brothers and sisters are subject to an inheritance and gift tax of 6 per cent. on the value of the inheritance or the gift exceeding Euro 1000,000.00 for each beneficiary;

(c) transfers in favour of relatives up to the fourth degree or relatives-in-law to the third degree, are subject to an inheritance and gift tax of 6 per cent. on the entire value of the inheritance or the gift;

(d) any other transfer is subject to an inheritance and gift tax of 8 per cent. on the entire value of the inheritance or the gift; and

(e) transfers in favour of seriously disabled persons are subject to an inheritance and gift tax at the relevant rate as described above on the value of the inheritance or the gift exceeding Euro 1,500,000.00 for each beneficiary.

12.66 The payment of the gift and inheritance taxes should be made directly by the relevant taxpayer and not by means of withholding by a tax agent.

12.67 Moreover, an anti-avoidance rule is provided by Law no. 383 of 18 October 2001 for any gift of assets (such as the Metal Securities) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Legislative Decree no. 461 of 21 November 1997 (see section 12.59 above). In particular, if the beneficiary of the gift sells the Metal Securities for consideration within five years from the receipt thereof as a gift, the same beneficiary is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift had never taken place.

Securities Transfer and Registration Tax

12.68 According to Article 37 of Law Decree no. 248 of 31 December 2007, as converted with amendments into Law no. 31 of 28 February 2008, the transfer of the Metal Securities is not subject to Italian transfer tax.

12.69 Contracts relating to the transfer of Metal Securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a fixed registration tax at a rate of €200.00; (ii) private deeds are subject to registration tax at a rate of €200.00 only if they are voluntary registered or if the so-called "*caso d'uso*" or "*enunciazione*" occurs.

Stamp Duty

12.70 Pursuant to Article 19(1) of Law Decree No. 201 of 6 December 2011 ("**Decree 201**"), as converted into Law no. 214 of 22 December 2011, a proportional stamp duty applies on an annual basis to the periodic reporting communications sent by financial intermediaries, carrying out their business activity within the Italian territory, to their clients for the Metal Securities deposited therewith. The stamp duty applies at the current rate of 0.2 per cent.; this stamp duty is determined on the basis of the market value or, if no market value figure is available, the nominal value or redemption amount of the Metal Securities held. The stamp duty can be no lower than €34.20.

Wealth Tax on securities deposited abroad

12.71 Pursuant to Article 19(18) of Decree 201, Italian resident individuals holding the Metal Securities outside the Italian territory are required to pay an additional tax at the current rate of 0.2 per cent.

12.72 This tax is calculated on the market value of the Metal Securities at the end of the relevant year or, if no market value figure is available, the nominal value or the redemption value of such financial assets held outside the Italian territory. Taxpayers are entitled to an Italian tax credit equivalent to the amount of wealth taxes paid in the State where the financial assets are held (up to an amount equal to the Italian wealth tax due).

Tax Monitoring

12.73 Pursuant to Law Decree no 167 of 28 June 1990, converted into Law no. 227 of 4 August 1990, as amended, individuals resident in Italy who, during the fiscal year, hold investments abroad or foreign financial assets must, in certain circumstances, disclose the aforesaid and the transactions related thereto to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as required for the income tax return).

OECD Common Reporting Standards

12.74 Drawing extensively on the intergovernmental approach to implementing the United States Foreign Account Tax Compliance Act, the OECD developed the Common Reporting Standard ("**CRS**") to address the issue of offshore tax evasion on a global basis. Aimed at maximising efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017.

12.75 Italy has enacted Law No. 95 of 18 June 2015 ("**Law 95/2015**"), implementing the CRS (and the amended EU Directive on Administrative Cooperation), which has entered into force on 1 January 2016 and provides for the exchange of information in relation to the calendar year 2016 and later.

12.76 In the event that Metal Securities are held through an Italian financial institution (as meant in the Ministerial Decree of 28 December 2015 implementing Law 95/2015), the holders of the Metal Securities may be required to provide additional information to such financial institution to enable it to satisfy its obligations under the Italian implementation of the CRS.

SECTION 13 – CLEARING AND SETTLEMENT

A. Issue

13.1 The Metal Securities may be issued:

(a) in bearer form, including in NGN form, and in CGN form and serially numbered Bearer Securities;

(b) in registered form, including in global registered form using the new safekeeping structure and in CGN form) as Registered Securities;

(c) in dematerialised uncertificated registered form which shall not be exchangeable for Bearer Securities, as Uncertificated Registered Securities.

13.2 All Registered Securities of the same Class shall have the same Principal Amount. Bearer Securities shall not be exchangeable for Uncertificated Registered Securities.

B. Form and Title

13.3 Title to the Bearer Securities shall pass by delivery.

13.4 Title to the Registered Securities shall pass by registration in the Register.

13.5 Uncertificated Registered Securities shall be held in uncertificated registered form in accordance with the Uncertificated Regulations and as such are dematerialised and not constituted by any physical document of title.

C. Relevant Clearing System

13.6 Custodial or safekeeping links have been (or will be) established with the Relevant Clearing System. At the date of this Prospectus, settlement of transactions in the Metal Securities will take place within Euroclear and Clearstream.

D. CREST

13.7 To the extent that Metal Securities are issued in Uncertificated Form, settlement of transaction in the Metal Securities will take place within the CREST system, as further described in Condition 3.6 (***Exchange of Uncertificated Registered Securities***).

E. What is CREST?

13.8 CREST is a paperless multi-currency electronic settlement platform enabling securities (including debt securities) to be:

(a) evidenced otherwise than by written instrument; and

(b) transferred electronically without a written instrument with effective delivery versus payment.

13.9 The Register in respect of such Metal Securities will be held in Ireland and governed by Irish law, in particular the Companies Act, 1990 (Uncertificated Securities) Regulations 1996 of Ireland (S.I. No. 68/1996) (as amended), which means that there will be a written instrument evidencing the CREST Metal Securities, but any CREST Metal Securities that are shown in the relevant Register as being Uncertificated Metal Securities will be settled within the CREST system.

13.10 CREST Metal Securities will only be shown in the relevant Register as being Certificated Metal Securities if:

(a) the CREST system is closed for a continuous period of 14 calendar days or more;

(b) CREST announces an intention permanently to cease business or does in fact do so;

(c) a holder ceases to be a CREST member; or

(d) if the CREST Securities need to be in the form of Certificated Securities for any other reason the Issuer deems necessary (for example, if it were required to effect a listing on another stock exchange or to permit trading on another electronic trading platform).

F. Euroclear and Clearstream

13.11 Euroclear and Clearstream each hold securities for participating organisations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants.

13.12 Euroclear and Clearstream provide to their respective participants ("**Participants**"), services including:

(a) safekeeping and administration;

(b) clearance and settlement of internationally traded securities; and

(c) securities lending and borrowing.

13.13 Persons who clear through or maintain a custodial relationship with a Participant can access these services either directly or indirectly.

13.14 Distributions of principal with respect to book-entry interests in the Metal Securities held through Euroclear and Clearstream will be credited, to the extent received by the Issuing and Paying Agent, to the cash accounts of the relevant Participant in accordance with the Relevant Clearing System's procedures applicable to Metal Securities traded on the relevant platform.

13.15 Where the Final Terms indicate that a Class of Metal Securities is "intended to be held in a manner which would allow Eurosystem eligibility", such designation simply

means that the Metal Securities are intended upon issue to be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper) and does not necessarily mean that the Metal Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility. At the date of this Prospectus, Euroclear will be the Common Safekeeper.

13.16 Where the Final Terms indicate that a Class of Metal Securities is not "intended to be held in a manner which would allow Eurosystem eligibility", should the Eurosystem eligibility criteria be amended in the future such that the Metal Securities are capable of meeting them, the Metal Securities may then be deposited with one of the ICSDs as Common Safekeeper (and registered in the name of a nominee of one of the ICSDs acting as Common Safekeeper). Note that this does not necessarily mean that the Metal Securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the European Central Bank being satisfied of Eurosystem eligibility.

G. Records

13.17 Metal Securities may be accepted for clearance through any Relevant Clearing System (which are the entities in charge of keeping the records). Metal Securities will be cleared through the Relevant Clearing System in whole numbers of Metal Securities only (for these purposes a Metal Security may be referred to as a unit by the Relevant Clearing System).

13.18 The International Securities Identification Number (ISIN) for each Class Securities will be set out in the applicable Final Terms.

13.19 The address of CREST is Euroclear UK & Ireland Limited, 33 Cannon Street, London, EC4M 5SB.

13.20 The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

13.21 The address of Clearstream is 42 Avenue JF Kennedy L-1855 Luxembourg.

SECTION 14 – SELLING RESTRICTIONS

14.1 The Metal Securities are not subject to any restrictions on transferability. The following restrictions on offer and sales apply.

14.2 Only Authorised Participants may subscribe for Metal Securities from the Issuer. The Authorised Participant(s) in respect of each Class of Metal Securities will be specified in the relevant Final Terms.

14.3 This document has been approved as a Prospectus by the Central Bank in its capacity as competent authority under the Prospectus Regulation. The Issuer has requested the Central Bank to provide the competent authorities in Finland, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom, with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation.

14.4 The Issuer may in due course request the Central Bank to provide competent authorities in additional EEA States with such certificates. The provisions set out in this section "**Selling Restrictions**" should be construed accordingly.

A. Non-Exempt Offers

14.5 This Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1(4) of the Prospectus Regulation ("**Non-exempt Offers**") in Finland, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom (each a "**Non-exempt Offer Jurisdiction**" and together, the "**Non-exempt Offer Jurisdictions**"). Any person making or intending to make a Non-exempt Offer of Metal Securities on the basis of this Prospectus must do so only with the Issuer's consent as described below.

14.6 In the context of any Non-exempt Offer of Metal Securities, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Prospectus in relation to any person who purchases any Metal Securities in a Non-exempt Offer made by an Authorised Participant, where that offer is made during the Offer Period (as defined below).

14.7 Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Prospectus by any other person in connection with any offer of the Metal Securities in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, HANetf, accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

14.8 If, in the context of a Non-exempt Offer, a prospective Securityholder is offered Metal Securities by a person which is not an Authorised Participant, the prospective Securityholder should check with such person whether anyone is responsible for this Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If a prospective Securityholder is in any doubt about whether it can rely on

this Prospectus and/or who is responsible for its contents, that prospective Securityholder should take legal advice.

14.9 The Issuer consents to the use of this Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of a Tranche of Metal Securities in the Non-exempt Offer Jurisdictions during the Offer Period by any Authorised Participant named in the relevant Final Terms or any other financial intermediary in respect of the relevant Class of Metal Securities which is an investment firm within the meaning of MiFID2 and which is authorised in accordance with MiFID 2 in the relevant EEA State (each an "**Authorised Offeror**"), provided that such Authorised Offeror complies with the selling restrictions set out herein.

14.10 Any Authorised Offeror using this Prospectus must state on its own website that it uses this Prospectus in accordance with the consent and conditions contained in this Prospectus.

B. Arrangements Between a Securityholder and the Authorised Participant who will distribute the Metal Securities

14.11 Neither the Issuer nor, for the avoidance of doubt, HANetf has any responsibility for any of the actions of any Authorised Participant (or any such other person purporting to be an Authorised Offeror), including compliance by an Authorised Participant with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

14.12 A prospective Securityholder intending to acquire or acquiring any Metal Securities from an Authorised Participant will do so, and offers and sales of the Metal Securities to such prospective Securityholders by an Authorised Participant will be made, in accordance with any terms and other arrangements in place between that Authorised Participant and such prospective Securityholder including as to price, allocations and settlement arrangements. These terms shall be provided to such prospective Securityholder by that Authorised Participant at the time the offer is made. The Issuer will not be a party to any such arrangements with such prospective Securityholder and, accordingly, this Prospectus does not contain such information. None of the Issuer or, for the avoidance of doubt, HANetf or other Authorised Participant has any responsibility or liability for such information.

14.13 The Issuer has consented to the use of this Prospectus, and has accepted responsibility for the content of this Prospectus, with respect to subsequent resale or final placement by way of public offer of the Metal Securities in any of Finland, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom by any Authorised Offeror. Such consent applies to any such resale or final placement by way of public offer during the period of 12 months from the Prospectus Date (the "**Offer Period**") unless such consent is withdrawn prior to that date by notice published on the Issuer's Website.

C. Offers by Authorised Participants

14.14 In the event of a public offer in any Non-exempt Offer Jurisdiction, the Metal Securities may be offered and sold to persons who are legally eligible to participate in a public offering of such securities in such jurisdiction under applicable laws and regulations.

14.15 In relation to each EEA State, by entering into an Authorised Participant Agreement, each Authorised Participant represents and agrees that with effect from and including the Prospectus Date, it has not made and will not make an offer of Metal Securities which are the subject of the offering contemplated by this Prospectus as completed by the applicable Final Terms to the public in that EEA State, except that it may, with effect from and including the Prospectus Date, make an offer of such Metal Securities to the public in that EEA State:

(a) in the case of a Non-exempt Offer, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, following the Prospectus Date in relation to such Metal Securities which have been approved by the competent authority in the relevant EEA State or, where appropriate, approved in another EEA State and notified to the competent authority in that EEA State in the period (if any) beginning and ending on the dates (if any) specified in such prospectus or final terms, as applicable;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons per Member State (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Authorised Participant or Authorised Participants nominated by the issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Metal Securities referred to above shall require the Issuer or any Authorised Participant to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a base prospectus pursuant to Article 23 of the Prospectus Regulation.

14.16 For the purposes of the provision above, the expression an "offer of Metal Securities to the public" in relation to any Metal Securities in any EEA State means a communication in any form and by any means, presenting sufficient information on the terms of the offer and the Metal Securities to be offered, so as to enable an investor to decide to purchase those Metal Securities.

D. UK Selling Restrictions

14.17 Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Metal Securities in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Metal Securities in, from or otherwise involving the United Kingdom.

E. Irish Selling Restrictions

14.18 Further, by entering into an Authorised Participant Agreement, each Authorised Participant undertakes and agrees that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Metal Securities, or do anything in Ireland in respect of the Metal Securities, otherwise than in conformity with the provisions of:

(a) Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market (the Prospectus Regulation), Commission Delegated Regulation (EU) 2019/980, (the PR Regulation), Commission Regulation (EU) 2019/979 (the RTS Regulation) and any applicable supporting law, rule or regulation and any Central Bank rules issued and/or in force pursuant to Section 1363 of the Companies Act 2014 (as amended);

(b) the Companies Act 2014 (as amended);

(c) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;

(d) Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse, the European Union (Market Abuse) Regulations 2016 and any Central Bank rules issued and/or in force pursuant to Section 1370 of the Companies Act 2014 (as amended);

(e) Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs); and

(f) the Central Bank Acts 1942 to 2018 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989.

F. US Selling Restrictions

14.19 The Metal Securities have not been, and will not be, registered under the Securities Act or under the securities law of any state or political sub-division of the United States or any of its territories, possessions or other areas subject to its jurisdiction, and the Issuer has not been and will not be registered under any federal laws of the United States. The Metal Securities include Metal Securities in bearer form that are subject to US tax law requirements.

14.20 No person has registered nor will register as a commodity pool operator of the Issuer under the Commodity Exchange Act of 1936, as amended (the "**CEA**") and the rules thereunder (the "**CFTC Rules**") of the commodity futures trading commission (the "**CFTC**"). Any offer or sale of the Metal Securities must be made in a transaction exempt from the registration requirements of the Securities Act pursuant to Regulation S thereunder ("**Regulation S**").

14.21 The Metal Securities may not at any time be offered, sold or otherwise transferred in the United States or to, or for the account or benefit of, persons who are either "US Persons" as defined in Regulation S or persons who do not come within the definition of a "Non-United States Person" under CFTC Rule 4.7 (excluding for the purposes of subsection (d) thereof, the exception to the extent it would apply to persons who are not Non-United States Persons).

14.22 Metal Securities may not be legally or beneficially owned by any entity that is, or that is using the assets of,

(a) (i) an "**Employee Benefit Plan**" (as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("ERISA")) that is subject to the fiduciary responsibility requirements of Title I of ERISA;

(ii) any plan to which Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**") applies (a "**Plan**"); or

(iii) an entity whose constituent assets include "**Plan Assets**" (as determined pursuant to the "**Plan Assets Regulation**" issued by the United States Department of Labor at 29 C.F.R. Section 2510.3-101 as modified by Section 3(42) of ERISA) by reason of any such Employee Benefit Plan's or Plan's investment in the entity or

(b) a non-U.S. plan, governmental plan, church plan or other plan that is subject to any federal, state, local, non-U.S. or other law or regulation that is similar to the provisions of Section 406 of ERISA or Section 4975 of the Code (a "**Similar Law**") unless its acquisition and holding and disposition of such Security, or any interest therein, has not and will not constitute a violation of such Similar Law. The Issuer has the right, at its option, to refuse to recognise any such transfer or to compel any legal or beneficial owner of Metal Securities who contravenes such prohibition to void the transfer of such Metal Securities to such legal or beneficial owner or to redeem any such Metal

Securities held by such legal or beneficial owner. Transfers may be voided by the Issuer by compelling a sale by such legal or beneficial owner or by the Issuer selling such Metal Securities on behalf of such legal or beneficial owner at the lesser of the purchase price therefore or the market value (as determined by the Determination Agent) of the Metal Entitlement per Security prevailing at the time such transfer is voided. Terms used in this paragraph 14.19 have the meanings given to them by the Code.

SECTION 15 – ADDITIONAL INFORMATION

A. General

15.1 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this document which may have or have had in the recent past a significant effect on the Issuer's financial position or profitability.

B. Sources

15.2 Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and, so far as the Issuer is aware and is able to ascertain from information published by the referenced third-party source, no facts have been omitted which would render the reproduced information inaccurate or misleading.

15.3 Where third party information is used in this Prospectus, the source of such information is identified.

15.4 Any website mentioned in this Prospectus does not form part of the Prospectus.

C. Documents Available for Inspection

15.5 For the duration of the Programme or so long as any Metal Securities remain Outstanding, copies of the following documents will be available in printed form for inspection by Securityholders and potential investors at the Registered Office of the Issuer at 2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, Ireland, during normal business hours on any Dublin Business Day:

(a) the constitution of the Issuer;

(b) this Prospectus;

(c) each Trust Deed;

(d) each Security Deed;

(e) the Custody Agreements;

(f) each Metal Agent Agreement;

(g) the Management and Determination Agent Agreement;

(h) the Administration Agreement; and

(i) the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published).

15.6 The constitution of the Issuer, this Prospectus and the annual audited accounts and half-yearly unaudited accounts of the Issuer (once published) are also available in electronic format at www.hanetf.com/royalmint.

D. Issue Price

15.7 The issue price is the Metal Entitlement per Security and will be determined before filing of the applicable Final Terms of each Class based on the prevailing market conditions.

E. Post-Issuance Information

15.8 During the term of a Class of Metal Securities, the Issuer will publish the Metal Entitlement per Security of each Class on the Issuer's Website as described in **Section 8 – Determining the Value of an Investment in Metal Securities**. In addition, the Issuer publishes the Bar List on each Business Day, which contains details of each bar of Underlying Metal held in the Secured Allocated Accounts.

15.9 Save as mentioned in this section entitled ***Post-Issuance Information***, the Issuer does not intend to provide any post-issuance information in relation to any Class of Metal Securities or the performance of any underlying assets.

F. Irish Regulatory Notices

15.10 The Issuer is not and will not be regulated by the Central Bank as a result of issuing the Metal Securities. Any investment in the Metal Securities does not have the status of a bank deposit and will not be within the scope of the Deposit Guarantee Scheme operated by the Central Bank.

G. Irish Listing Agent

15.11 Matheson, as the Irish Listing Agent, is acting solely in its capacity as listing agent in respect of the approval of this Prospectus by the Central Bank only for the Issuer in connection with the Metal Securities and is not seeking admission of the Metal Securities to the official list of the Irish Stock Exchange plc, trading as Euronext Dublin or to trading on the Irish Stock Exchange plc, trading as Euronext Dublin for the purposes of the Prospectus Regulation.

H. Data Protection Notice

15.12 By completing the Subscription Form or the Redemption Form, a Securityholder is providing personal data to the Issuer. This Data Protection Notice is intended to ensure that the Securityholder is aware of what personal data the Issuer holds and how that data is used. The Issuer will use the Securityholder's personal data only for the purposes and in the manner set forth below which describes the steps taken to ensure that the processing of personal data is in compliance with the General Data Protection Regulation ((EU) 2016/679) ("**GDPR**") and any implementing legislation ("**Data Protection Legislation**").

15.13 The Securityholder has the right to object to the processing of its personal data where that processing is carried out for the Issuer's legitimate interests.

15.14 This Data Protection Notice applies to Securityholders and to third parties whose information is provided by a Securityholder to the Issuer. The Issuer shall be considered a data controller in accordance with the Data Protection Legislation.

15.15 The Securityholder must ensure that it provides a copy of this Data Protection Notice to any third parties whose personal data is provided to the Issuer. This Data Protection Notice applies to all personal data processed by the Issuer regardless of the media on which it is stored. The Issuer may update this Data Protection Notice at any time and will notify the Securityholder in writing of any changes.

15.16 Personal data is any data relating to a living person who can be identified directly from that data, or indirectly in conjunction with other information. The Issuer will hold some or all of the following types of personal data: name, address, date of birth, bank details, telephone recordings etc. This personal data will be used by the Issuer for the purposes of:

(a) carrying out legal and regulatory obligations which can include compliance with anti-money laundering and counter-terrorist financing laws and regulations;

(b) disclosing personal data where required to do so by law or regulation which may include disclosure to third parties such as the auditors, the Irish Revenue Commissioners or other relevant tax authorities pursuant to applicable law; and

(c) for any other legitimate business interests of the Issuer or a third party to whom the data is disclosed, where such interests are not overridden by the interests of the data subject, including for statistical analysis and market research purposes.

15.17 Personal data will only be processed to the extent necessary for the purposes set out above for the Issuer's legitimate business interests. The Issuer will also process personal data as necessary to comply with legal obligations. The Issuer will inform the Securityholder in advance if it intends to further process personal data for a purpose other than as set out above. The Issuer may also seek the Securityholder's specific consent to the processing of personal data for other specific purposes. The Securityholder will have the right to withdraw such consent at any time.

15.18 Failure to provide the required data may result in the Issuer being unable to process a Subscription Form or a Redemption Form, whichever is applicable. The Issuer will inform the Securityholder where the information asked for is a contractual requirement or needed to comply with legal obligations.

15.19 The Securityholder's personal data will be disclosed to, and processed by, the Administrator, (who will be a data processor under the Data Protection Legislation) for the purposes of carrying out the services for the Issuer and to comply with legal

and regulatory obligations, including anti-money laundering legislation or foreign regulatory requirements. The Administrator may in turn disclose the Securityholder's personal data to agents or other third parties where necessary to carry out these purposes.

15.20 The Issuer may also disclose the Securityholder's personal data to:

(a) the money laundering reporting officer, HANetf (and, to the extent different, the Determination Agent), and any duly authorised agents and related, associated or affiliated companies;

(b) the Irish Revenue Commissioners;

(c) the Central Bank;

(d) agents of the Administrator who process the data for anti-money laundering purposes or for compliance with foreign regulatory requirements; and

(e) other third parties including financial advisors, regulatory bodies, auditors, technology providers.

15.21 The Issuer will take all reasonable steps, as required by Data Protection Legislation, to ensure the safety, privacy and integrity of the Securityholders personal data and where appropriate, enter into contracts with such third parties to protect the privacy and integrity of such data and any information supplied.

15.22 The Issuer may transfer the Securityholder's personal data to countries outside of Ireland which may not have the same data protection laws as Ireland. The Securityholder's personal data will not be transferred to a country outside of the EEA unless that country ensures an adequate level of data protection. The Issuer will take all steps reasonably necessary to ensure that personal data is treated securely, and that appropriate safeguards are in place to protect the privacy and integrity of such personal data, in accordance with Data Protection Legislation. The Securityholder should contact the Issuer if it wishes to obtain information concerning such safeguards.

15.23 The Issuer takes all reasonable steps as required by Data Protection Legislation to ensure the safety, privacy and integrity of the Securityholder's personal data. The Issuer will retain personal data only for so long as is necessary to carry out the purposes set out above and to comply with any legal obligations. In determining appropriate retention periods, the Issuer shall have regard to the requirements of the Central Bank and its obligations to retain information, including under anti-money laundering, revenue and tax legislation.

15.24 The Securityholder has a right to obtain a copy of, and the right to rectify any inaccuracies in, the personal data that the Issuer holds by making a request in writing. The Securityholder also has the right to request erasure, restriction, portability or object to the processing of personal data or not to be subject to a decision based on automated processing, including profiling. The Securityholder should inform us of

any changes to personal data. The Issuer will respond to requests in writing, or orally if requested, as soon as practicable and in any event not more than one month after receipt of a request.

15.25 The Securityholder has the right to lodge a complaint with the Office of the Data Protection Commissioner if unhappy with how its personal data is being handled. If the Securityholder has any queries regarding this Data Protection Notice, it should contact the Issuer at www.HANetf/royalmint.

SECTION 16 – DIRECTORY

ISSUER
HANetf ETC Securities plc
2nd Floor, Block 5, Irish Life Centre, Abbey Street
Lower, Dublin 1, D01 P767, Ireland

CUSTODIAN
The Royal Mint Limited
Llantrisant, Pontyclun,
CF72 8YT, United Kingdom

DIRECTORS OF ISSUER
Michael Carroll
Niall Vaughan
Ignatius Faissal

TRUSTEE & SECURITY TRUSTEE
The Law Debenture Trust Corporation p.l.c.
Fifth Floor, 100 Wood Street
London EC2V 7EX, United Kingdom

ADMINISTRATOR
Apex Fund Services (Ireland) Limited
2nd Floor, Block 5, Irish Life Centre, Abbey Street
Lower, Dublin 1, D01 P767, Ireland

REGISTRAR
Bank of New York Mellon, Luxembourg Branch
Vertigo Building – Polaris, 2-4 Rue Eugène
Ruppert, L-2453 Luxembourg

MANAGEMENT AND DETERMINATION AGENT
HANetf Limited
City Tower, 40 Basinghall Street
London EC2V 5DE, United Kingdom

TRANSFER AGENT
Bank of New York Mellon, Luxembourg Branch
Vertigo Building – Polaris, 2-4 Rue Eugène
Ruppert, L-2453 Luxembourg

ISSUING AND PAYING AGENT
Bank of New York Mellon, London Branch
One Canada Square
London, E14 5AL, United Kingdom

CORPORATE SERVICES PROVIDER
Apex Corporate Services (Ireland) Limited
2nd Floor, Block 5, Irish Life Centre, Abbey Street
Lower, Dublin 1, D01 P767, Ireland

AUDITORS
Ernst & Young
Harcourt Centre, Harcourt Street,
Dublin 2, Ireland

IRISH LEGAL ADVISERS & LISTING AGENT
Matheson
70 Sir John Rogerson's Quay
Dublin 2, Ireland

ENGLISH LEGAL ADVISERS TO THE ISSUER
Reed Smith LLP
The Broadgate Tower, 20 Primrose Street
London EC2A 2RS, United Kingdom

ENGLISH LEGAL ADVISERS TO THE TRUSTEE AND SECURITY TRUSTEE
Dorsey & Whitney (Europe) LLP
London, EC2M 3UT, United Kingdom

ANNEX 1 – FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche is set out below (*subject to the deletion of non-applicable provisions and/or instructions*)

Final Terms dated [•]

Programme for the Issue of Metal Securities

HANETF ETC SECURITIES PLC (**the** "**Issuer**")

2nd Floor, Block 5, Irish Life Centre, Abbey Street Lower, Dublin 1, D01 P767, Ireland

Issue of [specify number of Metal Securities comprising the relevant Tranche] of [specify Class] issued under the Programme (the "**Tranche**")

These Final Terms (as referred to in the base prospectus (the ''**Prospectus**'') dated 31 January 2020 in relation to the above Programme) relates to the issue of the Metal Securities referred to above. Terms used in these Final Terms have the same meaning as in the Prospectus.

The Metal Securities have the terms provided for in the Conditions.

These Final Terms have been prepared for the purpose of the Prospectus Regulation and for filing with the relevant competent authority for the purposes of Article 8(**4**) **thereof.**

These Final Terms must be read in conjunction with the Prospectus and any supplement thereto, which are published on the Issuer's Website at www.hanetf.com/royalmint pursuant to Article 21 of the Prospectus Regulation. An investor will only have full information on the Issuer and the offer of Metal Securities if it reads these Final Terms and the Prospectus are read together.

[A summary of this individual issue is Annexed to these Final Terms.]

[*Include whichever of the following apply or specify as* "*Not Applicable*" (*N/A*)*. Note that italics denote guidance for completing the Final Terms.]*

[*When completing final terms or adding any other information, consideration should be given as to whether such terms or information constitute* "*significant new factors*" *and consequently trigger the need for a supplement to this Base Prospectus under Article 23 of the Prospectus Regulation.]*

All provisions in the Conditions corresponding to items in these Final Terms which are indicated as not applicable, not completed or deleted shall be deemed to be deleted from the Conditions.

Issuer (**and LEI**)	HANETF ETC SECURITIES PLC LEI: 635400GQU6WKILM5R975
Class	[•]
ISIN	[•]
Principal Amount	[•]
Trading Method	Units
Relevant Currency	[•]
Aggregate number of the Class of Metal Securities to which	[•]

these Final Terms apply:	
(**a**) **Comprising the Tranche (A)**	[•]
(**b**) **Prior to the issue of this Tranche**	[•]
(**c**) **Immediately following the issue of this Tranche**	[= (a) + (b)]
Issue Date	[•]
Metal Entitlement per Security pertaining to this Tranche on the Trade Date (B)	[•]
Metal Entitlement (AxB)	[•]
Total Expense Ratio	[*as at issue date*]
Subscription Minimum	[•] [*not applicable*]
Subscription Maximum	[•] [*not applicable*]
Specified Denominations	The Metal Securities may be traded in integral multiples of one
Interest Type	Zero coupon
Default Interest	Not applicable
Intended to be held in a manner which would allow Eurosystem eligibility	[Yes. Note that the designation "Yes" simply means that the securities are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*] and does not necessarily mean that the securities will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the securities are capable of meeting them the securities may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*] . Note that this does not necessarily mean that the securities will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
Form	[Bearer Notes: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]

	[Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]] [Registered Notes: [The Global Notes will be registered in the name of a [nominee]/[common safekeeper]/[depositary] for [Euroclear and Clearstream, Luxembourg] [Uncertificated Securities in dematerialised and registered form] [NGN Form: [not applicable]/[applicable]]
Redemption Date	[•] [*not applicable*]
Expenses or taxes charged to the subscriber or purchaser of this Tranche	[•] [*not applicable*]
Countries where the Prospectus has been notified	The Central Bank has provided the competent authorities of Finland, Germany, Italy, Luxembourg, the Netherlands and the United Kingdom with a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Regulation.

Additional Information

Listing	[Application has been made for the Metal Securities to be admitted to the official list of the UK Listing Authority and for the Metal Securities to be admitted to trading on the regulated market of the London Stock Exchange.]/[Application has also been made for the Metal Securities to be admitted to the official list of the Frankfurt Stock Exchange, the Borsa Italiana and for the Metal Securities to be admitted to trading on the regulated market thereof.] [The earliest date on which the Metal Securities will be admitted to trading on the regulated market of [the London Stock Exchange]/ [the Frankfurt Stock Exchange]/ [the Borsa Italiana] will be [•].] Application may be made for the Metal Securities to be listed on additional stock exchanges and admitted to trading on additional markets from time to time.
Relevant Stock Exchange(s)	[London Stock Exchange] [Frankfurt Stock Exchange] [Borsa Italiana S.p.A]
Reasons for the Offer	See section headed "*Use of Proceeds*" in the Prospectus
Relevant Clearing System	[•]
Agents	[*insert names and details of Registrar, Transfer Agent, Issuing and Paying Agent and Administrator*]
Authorised Participants	As at the Issue Date of the Tranche of Metal Securities to which these Final Terms relate: [*give name and address of institution*] The full list of Authorised Participants in respect of the Class from time to time will be published at www.hanetf.com/royalmint (or such other website as may be notified to Securityholders).

LISTING AND ADMISSION TO TRADING APPLICATION

[These Final Terms comprise the final terms required to list and have admitted to trading the Tranche of Metal Securities described herein pursuant to the Programme.]

The Issuer may, from time to time (without the consent of the Trustee or any Securityholder), in accordance with the Trust Deed, the Conditions and the Authorised Participant Agreement(s), create and issue further securities either having the same terms and conditions as this Tranche in all respects or upon such terms as the Issuer may determine at the time of their issue and/or incur further obligations relating to such securities.

[So far as the Issuer is aware, no person involved in the offer of the Metal Securities has an interest material to the offer]

Signed on behalf of the Issuer:

By: .....
Duly authorised

Form of Issue Specific Summary

(Issuer to annex form of issue specific summary)

ANNEX 2 – FREQUENTLY ASKED QUESTIONS ("FAQs")

16.1 This section is intended to answer some of the questions, which a prospective investor may have when considering an investment in Metal Securities.

16.2 For the avoidance of doubt, this section is not intended to act as a summary of the Prospectus, the Programme, or as a substitute for any other information contained in this Prospectus.

16.3 A prospective Securityholder must read the entirety of this Prospectus (including the relevant Final Terms) before making an investment in Metal Securities.

	Question	Answer
		General
1.	**What are Metal Securities?**	Metal Securities are secured, undated debt securities issued by HANetf ETC Securities plc. The Metal Securities offer investors a means of investing in physical metal without being required to take delivery of that metal. This fungibility enables investors to buy and sell their interest in metal by way of trading a security on a stock exchange.
2.	**What are The Royal Mint Physical Gold ETC Securities?**	The Royal Mint Physical Gold ETC Securities are backed by, and offer Securityholders exposure to physical gold held in custody by the Royal Mint as Custodian (or loco London with a Sub-custodian or a delegate of a Sub-custodian).
3.	**How do the Metal Securities give exposure to physical metal?**	The Metal Securities are backed by physical precious metal held in the secure Vaults of a Custodian or of a Sub-custodian. Securityholders have the option to redeem their Metal Securities against the delivery of a metal equivalent to the Metal Entitlement of the Metal Securities being redeemed (less applicable fees). The Metal that backs the Metal Securities must meet the "Good Delivery" standards: - set by the LBMA in the case of gold and silver; and - set by the LPPM in the case of platinum and palladium.
4.	**How are Metal Securities traded?**	Only Authorised Participants may apply for Metal Securities directly with the Issuer, at a subscription price equal to the amount of the Metal Entitlement per Security on the relevant date.

	Question	Answer
		Once an Authorised Participant applies for Metal Securities with the Issuer, that Authorised Participant may: • choose to hold the Metal Securities itself; • sell those Metal Securities on a Relevant Stock Exchange; • sell those Metal Securities in the OTC Market; or • redeem the Metal Securities directly with the Issuer. Investors other than Authorised Participants are able to trade Metal Securities on any Relevant Stock Exchange or in the OTC Market.
	Storage	
5.	**Where and how is the Metal stored?**	The physical precious metals that back the Metal Securities are held in Vaults by the Custodian in the name of the Issuer on a segregated basis. The Metal attributable to the Metal Securities is held in secured allocated accounts, except for the portion held in unallocated accounts for short periods of time to maximise the efficiency of the Subscription and Redemption process. Metal may also be held in the Vaults of a Sub-custodian.
6.	**What is the Vault?**	In respect of The Royal Mint Physical Gold ETC Securities, the Royal Mint's vault in Wales where the Royal Mint – as Custodian - holds metal backing the Metal Securities as Custodian.
7.	**What is an allocated account?**	Allocated accounts relating to the Metal Securities are held with a Custodian in the name of the Issuer. The allocated account evidences that uniquely identifiable bars of metal have been "allocated" to the Issuer and are segregated from other metal. The Issuer has full title to the Metal held in the Secured Allocated Accounts and there should not be any credit risk exposure to the Custodian as a result.
8.	**Is it possible to know which bars of Metal back the Metal Securities?**	Yes. The Custodian maintains a list of the physical metal it holds in allocated accounts – known as the Bar List - which can be found on the Issuer's Website at www.hanetf.com/royalmint.

	Question	Answer
9.	**What is an unallocated account?**	The Custodian may hold Metal in unallocated accounts. Metal held in this form does not entitle the holder to any specific bars of Metal. Instead, the holder has a general entitlement to a certain amount of metal, which is recorded in the Custodian's books records. As the Metal held in the unallocated account is not segregated, this means that the Securityholder's position is that of an unsecured creditor, and it will have a credit risk exposure to the Custodian as a result.
	Audit and Insurance	
10.	**Is the Metal audited?**	Yes. The metal held at the Custodian to back the Metal Securities is audited at least twice per year by an independent metal audit firm, Alex Stewart International (the "**Metal Auditor**"). The Metal Auditor inspects the Metal held at the Custodian to ensure that it matches in all respects the Metal disclosed as held on the Bar List.
11.	**Is the Metal insured?**	The Custodian maintains such insurance over the Metal held in its Vaults as it considers commercially reasonable (although it is under no duty to provide insurance for the benefit of the Issuer in respect of the Underlying Metal).
	Roles of the Relevant Parties	
12.	**Who is the Custodian and what does it do?**	The Custodian in respect of The Royal Mint Physical Gold ETC Securities is The Royal Mint Limited. The Royal Mint Limited is a full member of the LBMA and an associate member of the LPPM. The Custodian is responsible for the safekeeping of the Metal which backs the Metal Securities.
13.	**Who are the Trustee and the Security Trustee what do they do?**	The Trustee and the Security Trustee are each The Law Debenture Trust Corporation p.l.c., an independent entity whose role is to act as trustee on behalf of Securityholders in accordance with the Trust Deed and to act as security trustee on behalf of Securityholders and the other Secured Parties in accordance with the Security Deed. The Trustee holds its rights on behalf of Securityholders and the Security Trustee holds its right on behalf of Secured Parties.
14.	**Who are the Authorised**	Authorised Participants are financial institutions who meet certain eligibility requirements and who have entered into an Authorised Participant Agreement with the Issuer.

	Question	Answer
	Participants and what do they do?	Only Authorised Participants are allowed to subscribe for Metal Securities directly with the Issuer. Authorised Participants may, but do not have to, act as market makers for the Metal Securities by buying and selling Metal Securities to and from investors either On-Exchange or in the OTC Market.
15.	**Can a Securityholder take physical delivery of the underlying Metal?**	Yes, a Metal Security carries a right on Redemption to delivery in Metal of an amount equal to the Metal Entitlement per Security. In the case of a Non-AP Securityholder, this right is subject to certain qualifications (namely that it is not prohibited by law to hold metal, it specifies a metal account for the Metal to be transferred to and it passes the Issuer's KYC checks.
16.	**Who is the Metal Agent and what does it do?**	The Metal Agent is The Royal Mint Limited. The Metal Agent will, amongst other things, effect the sale of the relevant Metal where the required Redemption Mechanism is a Metal Sale.
Value of the Metal Securities		
17.	**What is the Metal Entitlement?**	The Metal Entitlement of a particular class of Metal Securities is the quantity (an amount in fine troy ounces in the case of gold or troy ounces in the case of silver, platinum and palladium) of the physical metal of the relevant type that each Metal Security represents. Examples of how the Metal Entitlement is calculated is set out in **Section 8 – Determining the Value of an Investment in Metal Securities.** The Issuer will calculate and publish the Metal Entitlement per Security in respect of each calendar day on its website.
19.	**How do I determine the value of my investment?**	The value of an investment in Metal Securities will depend on the bid and offer prices on the Relevant Stock Exchange at the particular time. These prices are expected to be close to the cash value of the Metal Entitlement per Security at that time.

	Question	Answer
	Investing in Metal Securities	
20.	**What is the minimum investment?**	The minimum investment in the secondary market is one Metal Security. Subscriptions by Authorised Participant will be subject to a Subscription Minimum.
21.	**Can an investor lose more than its initial investment?**	An investor who buys and holds its Metal Securities cannot lose more than its initial investment.
22.	**Can an investor lose all of its investment?**	Yes, an investor may lose some or all of its initial investment by virtue of the movements in the price of the Underlying Metal and application of the Total Expense Ratio.
23.	**Are investors charged a fee for holding Metal Securities?**	Yes, investors are charged a fee in respect of the holding of the Metal Securities (the Total Expense Ratio). This is deducted each day by a reduction in the Per Security Entitlement to Metal.
24.	**Are there transaction costs on exchange for buying and selling Metal Securities?**	Investors who buy and sell Metal Securities on exchange or in transactions other than with the Issuer may be charged additional costs by other parties (for example brokerage fees) in respect of those transactions.
25.	**Does it cost me money to redeem my Metal Securities?**	There are no Redemption Fees if a Securityholder sells its Metal Securities in the secondary market. However, if a Securityholder redeems the Metal Securities directly from the Issuer, a Redemption Fee applies. The cost of a Redemption varies depending on the type of Redemption and the nature of the Securityholder. In the case of an Optional Redemption, Metal Securityholders who are not Authorised Participants will be notified of the applicable fee upon redemption, which will not be greater than €600.